

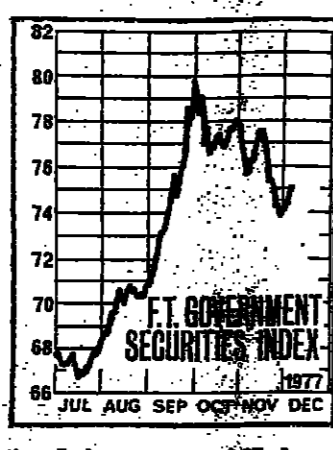
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NEWS SUMMARY

GENERAL
Egypt to make British missile
The British Swingfire anti-tank missile is to be manufactured in Egypt under a \$10m. deal between British Aerospace's Dynamics Group and the Arab Organisation for Industrialisation.

BUSINESS
Funds lead equities higher
GILTS were uncertain after early gains and showed losses to -1. The short term Treasury 8 1/2 per cent. 1982, ran out. Back Page. Government Securities.



EC election vote
The vote next week on the terms to be used in the first election to the European Parliament. Mr. James Callaghan said that the result of the vote would decide whether Britain could meet the target of 'May/June next year'.

Oil talks break
Simon Market Fisheries ministers ended three days of talks in Brussels, aimed at reaching agreement on an EEC fisheries policy, without any positive achievement but amid 'pious optimism' that they would work out the differences.

TV defies critics
The independent television industry is to go ahead with the restructuring of the British companies in South Africa in spite of claims that the material was faked.

Record damages
Lim Poh Choo, 41, a woman psychiatrist who now lives in Singapore, was awarded damages of \$343,300 in High Court against Camden Islington Health Authority.

Sea to journalists
Striking unions have again urged 107 journalists on strike in London to return to work.

Wilson sells house
Harold Wilson has sold the house in Lord North Street, Westminster, where he lived as Minister, to a Conservative friend for £240,000.

Lefty
People were killed and injured at the Royal Air Force U-2 reconnaissance aircraft crashed.

Warhol's Suicide (Purple Man) was sold at the artist's last night for £40,000.

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Hitachi bows out of plan to make TV sets in Britain

BY MAX WILKINSON and JOHN LLOYD

Hitachi, the Japanese electrical and electronics company has withdrawn its plan to set up a colour television factory in Washington, Tyne and Wear.

The decision was greeted with jubilation by trade unions and the big British colour television manufacturers. They have mounted a vigorous campaign against Hitachi's plans.

Hitachi wanted to open a factory producing 80,000 colour sets a year, a substantial proportion of which were to be exported to Europe. It had agreed to meet a number of conditions laid down by the Government.

The main condition was that it should use 50 per cent. of U.K.-made components, including picture tubes made by Mullard the subsidiary of Dutch-owned Philips.

Hitachi's withdrawal has saved the Government from taking an embarrassing decision. It has been firmly in favour of encouraging Japanese investment, but was under unexpectedly strong pressure from the industry and the unions.

The leading U.K. television manufacturer is Thomson with production of well over 500,000 colour sets a year. The other U.K. companies are GEC, Decca, Rank and Rediffusion with combined production of about 300,000. The foreign-owned companies are Philips, Sony and Matsushita. The total U.K. colour market is about 1.6m. sets, of which U.K. manufacturers have about an 80 per cent. share.

Average loading in U.K. factories is now only about 60 per cent. Because of this, it is clear amongst the lowest in the world, that he disagreed with this

German concern at fall in dollar

BY MICHAEL BLANDEN

THE U.S. dollar continued to slump to new low levels against the strong European currencies yesterday in spite of further official intervention and growing protests against the potential damage to the West German economy.

The German authorities and industry are making it clear that they are unhappy about the fall in the dollar to what they regard as unrealistically low levels, and about the consequent strains within the European snake joint floating arrangements.

Pressure is likely to be brought on the U.S. authorities at the week-end Basle meeting of central bankers to think again about their policy towards the dollar. There are signs that the U.S. administration is becoming more concerned about the fall, which reflects anxiety over the country's trade deficit, and there is speculation that a swap arrangement could be needed to step up official intervention in the currency markets.

The unrest in the currency markets continued yesterday in spite of the firm statement on Tuesday by Herr Hans Apel, the West German finance minister, that the decline of the dollar against the D-Mark was 'not justified by the objective economic facts'.

European central banks continued to intervene to support the U.S. currency, with attention again concentrated on the D-Mark and the Swiss franc. The dollar dropped to DM2.1675 against DM2.1780 on the previous day, and to Sw.Frs.2.1222 against Sw.Frs.2.13.

The strength of the D-Mark requires official intervention to support its partners in the European snake. The Danish central bank spent an estimated Kr.300m. as the currency was forced against its snake floor, and in Belgium Mr. Leo Tindemans, the prime minister, reaffirmed that the country would defend the parity of the franc 'with all the means at its disposal'.

The Belgian franc was under less pressure yesterday but figures released by the authorities showed that the central bank had spent a total of B.Frs.11.7bn. (£186m.) in support in the week up to December 5.

Meanwhile, M. Rene Larre, the director general of the Bank for International Settlements—the Basle club of central bankers—said in a magazine interview that he was in favour of more energetic intervention by the U.S. on the foreign exchange market.

Chemical Bank says dollar fears unjustified, Page 5

BEGIN HINT OF CONCESSIONS Hussein goes on peace trip to Syria

KING HUSSEIN of Jordan last night unexpectedly began attempts to mediate in the quarrel between Egypt and Syria. In a bid to heal the Arab split he went in Damascus for talks with President Assad of Syria. He is expected to go on to Saudi Arabia and Egypt.

The Arab world has been bitterly divided since President Sadat's independent peace initiative and visit to Jerusalem late last month. The King's efforts follow the Tripoli summit decision to freeze diplomatic relations with Cairo and Mr. Sadat's counter-move severing ties with Syria, Algeria, Libya, Iraq and South Yemen.

Despite clear U.S. concern about the rift in the Arab world and about Egypt's growing openness to Moscow, which Washington fears, has clouded the prospects for an overall peace settlement with Israel, Mr. Sadat ordered the Soviet Union yesterday to close their consular and cultural offices in Egypt.

Having recovered from his stomach troubles, Mr. Menahem Begin, the Israeli Prime Minister, ended his visit to Britain and departed home.

He left the Government with the impression of greater Israeli readiness to make territorial and political concessions, not only in Sinai but also on the Golan Heights and the West Bank of Jordan.

Michael Tingay reports from Damascus: The immediate topic of discussion between King Hussein and Mr. Assad was the forthcoming preparatory meeting for a reconvened Geneva Conference called for by the Egyptian President, and now set to begin on December 14.

So far only Israel and the U.S. the latter with some evident misgivings, have agreed to attend. While Syria, Jordan and Russia, as well as Palestinian Arab representatives, have declined the invitation.

King Hussein arrived at a military airport and was met by Mr. Assad. The two men immediately went to the Syrian President's residence for private talks. The King was accompanied by Mr. Sherif Abdel Hamid Sharaf, chief of his Royal Court, and Mr. Mudar Badran, the Jordanian Prime Minister.

In a five-hour talk King Hussein is believed to have tried to persuade Mr. Assad not to put himself in an 'extremist' position that would prevent his joining the Cairo talks later. Jordan apparently wants to send an observer to the Cairo talks, and is probably trying to persuade Syria to do the same.

Mr. Assad is going to Saudi Arabia today for talks with King Khalid, according to Riyadh Radio. It also quoted Mr. Mohammed Abdo Yamani, Saudi Minister of Information, as saying that reports that the kingdom and other oil states planned to cut their financial subsidies to Egypt were groundless.

It is understood that the King, though he did not accept the invitation to the Tripoli summit where earlier this week the five countries represented and the Palestine Liberation Organisation sought to thwart the Egyptian initiative, sent a representative, Mr. Fathe Najie, president of the Jordanian Federation of Trade Unions.

King Hussein finds himself caught between his loyalty to Syria, with which he has been co-ordinating policy closely for two and a half years, and his

Rate of inflation down again in November

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE UNDERLYING rate of inflation, as monitored by the Price Commission's early warning system, again fell in November.

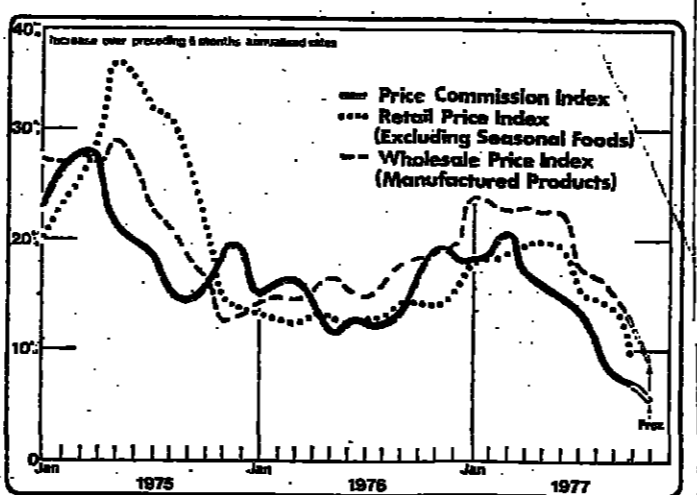
Announcing this yesterday Mr. Charles Williams, the Commission's chairman, said that while most companies were no longer putting up their prices once every three months, he would like to see the interval between individual price increases extended wherever possible, and 'a more general return to a system of annual price reviews'.

Provisional figures yesterday showed that the Commission's index of price increases notified to it rose by 2.9 per cent. in the six months to the end of November. Expressed at an annual rate this means that the Commission's index shows an increase of 5.8 per cent. the lowest figure since April 1973.

This continues the downward trend in the index for the last eight months, and compares with increases of 6 per cent. in October and 18.2 per cent. in January on the same six-month annualised basis.

Though the Commission's figures do not cover all the components of the Retail Prices Index, they usually provide a reliable advance indicator of what will happen to shop prices three to four months later.

Take with this wholesale price figures, which showed that manufacturers' output prices rose by only 0.3 per cent. last month, the figures suggest a further significant reduction



Earnings from tourism rise

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN'S EARNINGS from the foreign tourist boom are continuing to rise rapidly, but the impact on the invisible balance of payments is still likely to be slightly in surplus for the year as a whole.

Travel earnings from visitors to the U.K. were £377m. in the third quarter, and the net surplus on tourism was £312m. In the first nine months of this year the travel surplus of £776m., seasonally adjusted, was two-thirds higher than the average for 1976.

However, net earnings on interest, profits and dividends so far this year have been only £275m.—less than a third of last year's average. This has mainly been because of higher payments due overseas. U.K. earnings on overseas investments and bank income on lending has fallen back.

The overall surplus on invisible for the first nine months of this year was 27 per cent. below last year's average, and for the second quarter running the initial monthly estimate on invisible has had to be revised significantly downwards. The result is that the current-

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Table with 2 columns: Item and Price. Includes items like Speer (J.W.), Tube Inva., Unilever, etc. with prices in pence and shillings.

Table with 2 columns: Period and Value. Shows balance of payments table for December 7 and Previous periods, including Spot, 1 month, 3 months, and 12 months.

LOMBARD

BUSINESS AND THE COURTS

Where the guilt lies

BY GEOFFREY OWEN

ONE of the unattractive features of politicians... the facility with which they work themselves into a lather of indignation over the mistakes of other people...

Politicians

No one would deny that the affair of the Crown Agents is a scandal which deserves the fullest investigation. But in reading the reports of the debate...

would make it almost unmanageable. Its ability to react quickly and flexibly to changing market conditions would be greatly reduced.

It is true that the Corporation is having to wrestle with the worst recession the steel industry has known since the nineteen-thirties, but nationalisation has made it more difficult to come to terms with what appears to be a fundamental change in world steel markets.

A-MANAGER'S failure to perform

in accordance with the best professional standards can spell trouble for shareholders, employees, and creditors among others...

Can he be fired after a single failure of this sort, or has he or she to be given a second chance to satisfy the requirements of the Trade Union and Labour Relations Act of 1974...

REORGANISATION is another

reason that can lead to the dismissal of airline employees in managerial positions and in the case in point there is no doubt that the conclusions reached by the courts would apply more generally...

serious that one failure was enough to justify dismissal. It still is an open question whether any departure from commercial skills, potentially leading to the closing down of a business and to redundancies...

By A. H. HERMANN, Legal Correspondent

was absorbed into a more important new post of "operations manager," and Captain Robinson, who was considered unsuitable for the new post...

BEING OLD or "ordinarily

working abroad" exposes one to many pitfalls, and one of these may be the absence of protection against unfair dismissal under the 1974 Act...

man, a mathematics teacher

who conducted her appeal unaided by lawyers and impressed Lord Denning as a "woman of intellect."

The Court of Appeal also interpreted the Act more liberally to the employee's advantage in the case of Mr. Alan Wilson, dismissed by Maynard...

Good price for Redon picture

SOOTHEBY'S big winter sale of Impressionist and modern paintings yesterday repeated the pattern of Christie's on Tuesday...

SALEROOM

BY ANTONY THORNCROFT and £25,000 for "Vue sur Paris" by Chagall. Kandinsky's "Rosa-Rut" went elsewhere for £22,000...

All 10 scratched at Ayr

A GOOD MANY of the North's leading trainers may well be kicking themselves at Ayr today after the abandonment of the Hamilton-Campbell Chase...

later: easily disposing of Toy Mosey in the Symington Hurdle. Although there are slight doubts about the value of the form since the runner returned lame, I have little hesitation in siding with Kirrawhag who receives 6 lbs from Arthur Stephenson's recent winner...

RACING

BY DOMINIC WIGAN

and this afternoon remains something of a mystery in view of the opportunities clearly available.

Principal race on this afternoon's card - which now gets under way at a revised time of 4.05 - is the 2 1/2-mile Skeldon Hurdle.

F.T. CROSSWORD PUZZLE No. 3,539

Grid for crossword puzzle with numbers 1-30 and empty cells for letters.

ACROSS

- 1 Fish to cut open in a manner of speaking (8)
2 Dormant as skin put back (6)
3 Old engine joins railway in modern science (8)
4 Reluctant to compose a bit of poetry (6)
5 Rash fellow faced harm (4-5)
6 Learns incorrectly about the kidneys (5)
7 Dilute gas in can (4)
8 Injured the head and lost blood (7)
9 Not prepared like Ethelred (7)
10 Look for one's equal (4)
11 German church gives a pre-nuptial (5)
12 Return sane with money and with renewed vitality (9)
13 No longer available to finish insult (6)
14 Left home prematurely and in a straight line (8)
15 One who suffers with broken arm has to try badly (6)
16 Being of good stock we shall get right into bed (4-4)

DOWN

- 1 Pole is in the money from burlesque (6)
2 Soldiers with thick string or tape (6)
3 Alter notice about people (5)
4 Two vehicles separated by a mobile home (7)

SOLUTION TO PUZZLE No. 3,538

Grid for crossword puzzle solution with letters filled in.

P & O executives join Board

Mr. A. G. Hatchett, Dr. R. Leach and Mr. R. F. Stanton, divisional directors of the PENINSULAR & ORIENTAL STEAM NAVIGATION COMPANY, are to join the Board of P&O...

successor Mr. Hugh Roger Allen, at present deputy managing director of the Carpet Manufacturing Company, has also been appointed director of Carpets International Group Services with additional responsibility for marketing policies of overseas subsidiaries.

FINANCIAL TIMES

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Mississippi New Wave Rolls On

by ANTONY THORNCROFT

most interesting sound to out of the major record companies this year has been the chief executives of their changing gear over punk. It's not nice but you respect it, and it's going to do wonders for the balance of payments judging by initial U.S. sales.

What's making a million pounds will do to Johnny Rotten and the other Pistols must be one of the most fascinating questions about mankind's future. Other new wave bands already seem quite conventional, not least The Stranglers who, unlike the Sex Pistols, can hope to appeal to the over-eighteens.

Their second album *No More Heroes* shows a progression into mainstream rock, plus some pleasantly sophisticated lyrics. It is quite close to Velvet Underground and the Andy Warhol New York scene of the late sixties and has a limp intellectual nostalgic quality in the same way that the younger new-wave bands, like the Jam, recreate the early music of the Who. New wave is the course of the future, it is just returning to first base in rock and starting the journey all over again. And no doubt, once

again, the energy and the illusion of the 1970s, country rock, rather than the UK. The UK, introduced its own variation, Meat Ticket, whose new album *Three Times a Day* is worth a highly commended, but this is an area where American sentiment really wins out. Nashville is now hitting back at California, which stole the style of the South and added sophistication, and these days albums like Stella Parton's (sister of Dolly) *Country Sweet* can be enjoyed without embarrassment; the syrup in the lyrics has been replaced by a hard edged cynicism. All is not well in the Gospel Belt.

The Entertainment Guide is on Page 30

band in concert, reduced them to village hall proportions—but then most live recordings are failures. Probably the nicest album of the year for all those millions who believe that popular music should mature gracefully alongside them is *Rumours* by Fleetwood Mac, the perennial British band now gone American. This is soothing, familiar, melodic, delightful, just the way memory says it was during the apogee of rock around 1970 before reality stepped in. It is the Old Guard's best defence against the Barbarians.

The grumpy of all the U.S. singer-songwriters Joan Baez (now touring the UK) had a good 1977 album *Blowin' Away*. She still goes on rather about her love life, but there is more humour and detachment in it all, the voice is as emotive as ever, and the melodies quickly infectious. Randy Newman has always been an infection—you either see him as a comic genius or a timeless bore. An album from him is rare, and although *Little Criminals* suffers from being so conventionally Newman his truth and its bad taste must make some more converts.

Apart from the new wave the British contemporary music scene has been pretty bleak. Its good that Elkie Brooks should finally have proved her worth with *Two Dads A Lucy*, a smooth album with unmistakable touches of its American recording origins. In the same way Leo Sayer has gained from using an American producer on *Plunder in My Heart*. Both these albums are mainstream popular music with no pretensions apart from the desire to entertain — almost a rarity this year. At the rough end of the trade Patrick Miller, with *Full House*, is keeping alive the tradition of British rock which has so unjustly gone out of fashion.

Finally, an album I have turned more than most in 1977 turned out to be *The Dubliners 15 Years On*, a double album of the best of this folk rock Irish band. Some of the political sentiments are depressing, if they are not naive, but the verve of the music, the uplift in the bouncy songs and the sadness in the dirges, just about overcomes the doubts. Finally, once again, the funniest record of the year is the *Monty Python Instant Record Collection*, just released for Christmas and containing the best of the Pythons. The album cover stretches out to form a row of titles of *My Brain Hurts* and other *National Front Marching Songs* and *Bernard Deacon Lines of the Bank next to the London Palladium* variety — the best instant collection of the year. The worst album easily is Peter Cook and Dudley Moore's *Derek and Clive*, a diatribe of abuse which makes them sound pathetic, boring, and quite mindless — a sad end really. At least the Sex Pistols can only get better.



Lindsay-Jane Bartlett and Peter Duncan

And Things that Go Bump in the Night

by B. A. YOUNG

We are in the deep shelter below a house near a city in some country where the currency is dollars but they read the *London Times* and their local dialect is Cockney. The incumbent family consists of a warhead in which his bust may be seen.

These extraordinary goings-on are accompanied by much pseudo-philosophical dialogue, a retired Shakespearean actor (sible literary style): "Creatures like you should have felt when they believed tongues cut out!" The company that Cuba was going to be packed with ballistic missiles trained on New York and Washington and Chicago, I can't help feeling that it's unfair to bring should talk Cockney I don't know up a young writer's first work and present it at a time and one act out of the three, runs place where this emotional background is totally missing.

Appeal for Wordsworth

Lord Donaldson, the Minister for the Arts, has given his support to the Trustees of Dove Cottage, Grasmere, in their efforts to raise enough money to keep the newly discovered Wordsworth and Coleridge manuscripts in this country. The manuscripts were bought there by Cornell University, U.S., from a Sotheby's auction in July for £38,500. However, the Reviewing Committee of the Export of Works of Art recently suspended the issue of an export licence to enable a British institution to match the purchase price. The Trustees of Dove Cottage, where the main Wordsworth museum and library are housed, took up the challenge and launched a public appeal. Money has since been coming in daily, and now, following a meeting between himself and Jonathan Wordsworth, chairman of the 5 deadline.



Fleetwood Mac

Lontano Ensemble

by MAX LOPPERT

bright, well-calculated programme for Tuesday's recital, the Lontano Ensemble, one of the most attractive of youth-contemporary music ensembles, brought forward two works, a Globokar British piece and a Sebastian Forbes performance. Whether the elements of the other, in man and in substance, to a single virtuoso performer.

Book Reviews are on Page 31

melodic cells in a manner calling for an intriguing mixture of nostalgia, irreverence and witty mimicry.

I may have got it all wrong; if so, at least the above must indicate the suggestive possibilities of the material, and the composer's deft working of it. The piece was conducted with brio by John Carewe, who earlier had had a sympathetic account of Gerhard's *Libro*—or is it that the music itself wears less well than one thought? Only towards the end, with cascades of triplets and the piping of piccolo and clarinet over guitar, did one recover the sense of an individual accent, Catalan-tinged but international in adventurousness. Sympathetic accounts of the Debussy *Viola*, Harp and Flute Sonata and the Bertio Folk Songs, with Susanne Barber the spirited if a shade slightly tight-voiced mezzo, filled out the bill.

Composers' Weekend

by DOMINIC GILL

Each summer since 1967 the Society for the Promotion of New Music has organised a Composers' Weekend at a number of different venues outside London—four days of informal discussions, lectures and forums, and rehearsals and concerts of works specially written for the occasion by those attending.

Later the same year, the best or most practical) of those works are played at a concert in London. The quality of the programme is inevitably uneven, but this year it would seem that the works submitted for the PNM Week-end made an uncommonly fine list. The single outstanding work of the Week-end's concert programme last year, outstanding as much in a context, *faute de mieux*, as for its intrinsic merits—was a quartet by George Schickel (b.1949), who is studying at York with David Blake.

Even that cheated the principle a little, since the quartet was not written specially for the week-end, and had been performed before; but its merits were not inconsiderable. In 15 minutes, it proposed a wealth of ideas; used its forces confidently, and with skill; conveyed a sense of clean thinking, clear direction, with a quick, imaginative ear.

The rest of the programme was very small change. A little over-minute *Metamorphoses* for string quartet by Michael Maxwell (b. 1921) was no doubt incredibly adventurous. In its intention—to transform four his classical quotations (I caught

A Pinprick of History

by MICHAEL COVENEY

The show starts with Margareta D'Arcy, who devised it, making a short break; they stay. A jubilee procession is announced and welcoming them to a meeting of the Historical Dialectical Association for the study of pinpricks of history. The meeting has been convened to celebrate the hundredth anniversary of the international revolution. In 1977, all nations of the world participated except England. A request of a German agitator who submits that the message is not getting across and an Irish girl produces another script in which all the familiar targets—Mervyn Rees, Jack Lynch, the Arts Council, George Ward, the Grunwick's, Left-wing dramatists, robes, Critics from *The Times* etc. etc.—are derided. "There and *The Guardian*, two newspapers who "know all about of England," announces John Ireland" are invited to leave for Arden, for it is he, posing as a

Prokofiev's Seventh

by RONALD CRICHTON

The seventh and last of Prokofiev's symphonies, finished in 1952, the year before his death, has not had much of a run in this country. It was originally intended, apparently, as a symphony for children: what emerged was a something little more complicated than that, a simply outlined, unproblematical four movement work of conventional cast, related in its outward simplicity, but little else to the Classical Symphony which was the first of the series. One can't, on the strength of Tuesday's welcome performance by the London Symphony Orchestra under Andre Previn, make a very strong case for the Seventh, but it deserves a hearing now and then.

The most attractive movement is the second, a lengthy waltz with some good tunes and more than a hint of Glinka in the scoring, not only the transparent forerunner of Stravinsky's but the slightly rowdy Glinka of the *Valse-Pastorale*. If the rest of the symphony had more weight, the waltz would make a good scherzo-substitute, but instead of weight: the other movements deploy a succession of pleasing but melancholy ghosts from Prokofiev's past, beautifully

Betty Rhodes

by ANTONY THORNCROFT

Country Cousin, the King's Road night spot more famous for its social ambivalence than for its food or fittings, is continuing its policy of letting loose unknown American cabaret artists on to the unprepared British public. On Tuesday night it was the turn of Betty Rhodes to answer the universal chorus, "who?"

Miss Rhodes turned out to be a short-haired lady in a white tuxedo very much in the "knock them for six" bantam-weight Ethel Merman tradition. Her act was based upon a musical tour of her life-time. It was quite old-making to hear Frankie Laine and Teresa Brewer conjured up for a nostalgic reverie, and as Miss Rhodes took us through her fifties she held up a photograph so that we could believe more easily in her first dates in drive-in movies.

Then on to the bra-less 1960s and the experienced Miss Rhodes taking over the steering wheel: but before 1970 had been reached Miss Rhodes switched from what was quite an appealing trot-down memory lane to do her big production numbers, Jacques Bre and all. The chat was perhaps too coyly naughty for such a hard-bitten audience and Betty Rhodes does not seem familiar with the British way with visiting American artists, but she tried hard, has a decent voice and at the £5 a head (without wine) that Country Cousin charges for a meal and music she was well within the value for money category.

The Royal Bank of Canada.

Statement for the fiscal year ended October 31, 1977.

	1977	1976
Assets		
Cash resources	\$ 7,165,038,541	\$ 6,239,013,015
Government and other securities	3,403,063,570	3,185,296,411
Loans, including mortgages	21,819,176,461	17,825,430,846
Bank premises	413,273,134	332,448,815
Securities of and loans to corporations controlled by the bank	235,494,686	118,573,805
Customers liability under acceptances, guarantees and letters of credit	1,289,091,017	1,108,076,701
Other assets	25,196,946	22,746,378
	\$34,350,334,355	\$28,831,585,507
Liabilities		
Deposits	\$31,379,914,005	\$26,290,830,731
Acceptances, guarantees and letters of credit	1,289,091,017	1,108,076,701
Other liabilities	166,548,859	141,829,201
Debentures issued and outstanding	353,891,000	270,000,000
Accumulated appropriations for losses	306,659,889	289,946,727
Capital, rest account and undivided profits	854,229,585	730,902,147
	\$34,350,334,355	\$28,831,585,507

(All figures are in Canadian dollars)

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Jazz-master Kirk dies

Blind Ohio Jazz musician Rahsaan Roland Kirk, a virtuoso soloist and master reed player who could blow three instruments simultaneously, died on Tuesday in Bloomington, Indiana, aged 41. He was taken ill on Sunday night after two concerts at Indiana University with his band, the Vibration Society.

EUROPEAN NEWS

No ban on Cruise export, says U.S.

BY REGINALD DALE BRUSSELS, Dec. 7

THE U.S. to-day sought to reassure its European allies that it would not enter bilateral deals with the Soviet Union which would prevent them acquiring new American weapons such as the Cruise missile. The Europeans, however, while publicly accepting the American assurances, remained privately sceptical as to their practical worth.

Herr Georg Leber, the German Defence Minister, said he was sure the outcome of Strategic Arms Limitation Talks (SALT) between Moscow and Washington would be acceptable to the Europeans. Dr. Joseph Luns, Nato Secretary-General, added that Mr. Harold Brown, the U.S. Defence Secretary, had pledged that no concessions would be made that diminished the security of Western Europe when he addressed the two-day annual meeting of the alliance defence ministers that ended here to-day.

Nevertheless, both Germany and the U.K. remain seriously concerned that the Americans may bargain away the possibility of their acquiring militarily effective Cruise missiles as the current round of SALT talks reach their climax. The U.S. is planning to agree to limit the range of land and sea-launched Cruise missiles to 600 kilometres during the period of the temporary three-year protocol that is expected to form part of the new SALT agreement and the Europeans' fear is that the temporary limitation will become permanent.

The Cruise, a pilotless weapon given high chances of penetrating Soviet air defences, could be extremely attractive to European governments, and although none of them has yet come to a firm decision on it, they want to keep their options open. American experts believe the U.S. is about five years ahead of the Soviet Union in Cruise missile technology.

The ministers appeared to have made some progress towards a decision to introduce the American AWACS airborne early warning system, in liaison with the British Nimrod, in other NATO countries. They have not yet, however, agreed on how the cost is to be shared and a final decision is not expected until the spring.

Cautious hopes for accord on EEC fish policy

BY MARGARET VAN HATTEN BRUSSELS, Dec. 7

COMMON MARKET Fisheries Ministers to-day broke off three days of talks aimed at reaching agreement on common EEC fisheries policy without any conclusive achievement but amid cautious optimism that they may at last be on the way to settling their differences.

M. Antoine Humblert, president of the Council of Ministers, spoke afterwards of "an obvious will to succeed" and said Ministers had finally succeeded in getting away from semantics. Agreement on conservation policy was unanimous, and the only remaining argument concerned catch quotas.

This problem was brought to a head this morning when Britain tabled demands for a total catch of 962,000 tons, with quotas ranging from 42 to 46 per cent of the most important fish species.

This figure compares with an estimated total catch by U.K. fishermen for 1977, including distant water fishing in non-EEC waters, of 932,000 tons and an average catch in 1973-76 of 821,000 tons.

Immediate reaction to this figure, which represents Britain's maximum demand, was hostile. Mr. Brian Lenihan, the Irish Fisheries Minister, described it as totally unrealistic in relation to available fish stocks, while other delegations said it was "astronomical".

But the move is considered significant in that it is the first time the British have consented to produce specific figures. These will be used as the basis for new proposals which the EEC Commission plans to submit to ministers before they reconvene on January 16 in what is expected to be a marathon negotiation session.

In deciding to meet again in mid-January the Council of Ministers agreed to "stop the clock" on December 31, extending for one month all conservation measures—both national and Community-wide—currently in force. These include the ban on North Sea herring fishing and the U.K. ban on industrial fishing in the Norwegian post box.

This move also means that for the purpose of the January talks, the Fisheries Council presidency will remain with Belgium, instead of transferring to Denmark along with the presidency on all other EEC matters. Speaking after the conclusion of to-day's talks, Mr. John Silkin, the U.K. Agriculture and Fisheries Minister, was optimistic about the January talks and said that there had been considerable progress over the past three days.

"For the first time they are listening to what we say," he said. He suggested there had been a considerable shift among other EEC members towards the British position on conservation and far less opposition to the British demand for a 12-mile exclusive coastal zone.

Mr. Silkin's own position appears to have shifted slightly during the past three days, showing greater flexibility on the question of responsibility for conservation measures. Though to-night he still defined recognition of coastal states' right as a minimum demand, he had indicated previously that he would be prepared to consider a greater degree of Commission responsibility if an acceptable agreement were reached on coastal zones and on EEC conservation measures generally.

Another hitch in Dutch coalition

By Michael van Os AMSTERDAM, Dec. 7

A LAST minute hitch developed to-night in the formation of the new centre-right Dutch coalition. Queen Juliana has postponed her widely expected decision to appoint Mr. Andries van Agt as Premier-designate.

She has invited the leaders of all four major parties, as well as other political leaders, for new consultations. The Queen is apparently hesitating over whether the new Cabinet will command a majority in Parliament.

The problem has arisen after seven left-wing Christian Democrat "dissidents" refused to approve the revised policy agreement with the right-wing VVD Liberal party. As a result a new coalition would command the support of only 70 of the 150 seats in Parliament.

Political circles in The Hague to-night pointed out that this did not mean that the formation of a Centre-Right coalition would not go ahead.

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OECD pessimistic about French economic growth

BY ROBERT MAUTHNER PARIS, Dec. 7

FRANCE CAN look forward to only a moderate improvement in its economic situation in 1978 and cannot be expected to play a leading role in stimulating economic expansion and employment in the OECD area, according to the organisation's annual review of France.

The OECD secretariat expresses general support for the economic austerity policies pursued by the French Government, but disagrees with some of the main official French forecasts of the economy's likely performance next year.

Thus, while the French authorities expect a marked upturn in the rate of growth from about 3 per cent this year to 4.5 per cent in 1978, the secretariat considers that 3 per cent is a more realistic figure for next year.

The difference between the two predictions is due mainly to a more pessimistic assessment by the OECD of the trend of private sector investments and foreign demand.

The report points out that, while the Government's anti-inflationary policies have had some results, the underlying domestic demand has remained high. In spite of a substantial margin of unused resources and of a temporary price freeze, coupled with VAT reductions at the end of last year, the rise in consumer prices has remained close to 10 per cent in 1977.

A number of factors, however, could favourably influence the trend of prices in the next few months. Some of the pressure on food prices could be relieved by a fall in the prices of agricultural imports and the more moderate trend of wages since the beginning of 1977 might lead to a slowing down of price increases of manufactured goods and services.

Nevertheless, the OECD does not think that the rate of inflation next year can be brought down to the target of 7.5 per cent, which the French Government has set itself, and believes it is more likely to be in the region of 8.75 per cent.

Advocating the continuation of an active anti-inflationary policy, the secretariat emphasises that the setting of growth norms for wages and other incomes was an important innovation in France, but a very loosely-defined incomes policy would constitute

the OECD emphasises that the constraints to which France and countries in a similar position are subject would certainly be eased if the stronger economies expanded more rapidly. Nevertheless, its significant results achieved on the inflation front in coming months, it would become easier for the French Government to stimulate the economy and thus to achieve its 4.5 per cent growth target.

The OECD recognises that a growth rate of this order is required to prevent a further deterioration of the employment situation. Eventual measures to stimulate demand could include a cut in companies' social security contributions and a somewhat more expansionary budgetary policy. But economic policy should remain prudent, since the outlook for demand was even more uncertain than usual, given the closeness of the general election due to be held next March.

Giscard and Chirac talk over poll strategy

By Our Own Correspondent PARIS, Dec. 7

THE MUCH-PUBLISHED meeting between President Giscard d'Estaing and M. Jacques Chirac, the Gaullist leader, who has been seen each other since March, appeared to be a friendly atmosphere.

The Gaullists are members of the coalition government, and M. Chirac has been a critic of the economic policies of M. Raymond Barre, the Prime Minister, and of what he considers to be the lackadaisical manner in which the coalition is approaching the general election due in March.

However, his main purpose in seeking a meeting with the President was not, it appears, to underline these differences, but to stress the need for a unified and dynamic coalition front in the election campaign.

The short statement made by the Gaullist leader after the meeting with M. Giscard indicated that he had succeeded in attaining his objective. "I think the meeting was very successful," he said, adding that he was happy with the way the coalition had gone.

M. Chirac—whose relations with M. Giscard have been distinctly cool since the former resigned his post as Prime Minister, and the defeat by the President's personal candidate for the majority of Paris in March—was perhaps less successful in his attempts to dramatise the meeting to-day.

The President, who is clearly anxious not to allow the Gaullists to give the impression that they are in the vanguard of the government election campaign, arranged a series of meetings with other coalition leaders—and with M. Jacques Chaban-Delmas, a former Prime Minister and unsuccessful Gaullist candidate in the presidential election—before he met M. Chirac.

He also went out of his way to congratulate M. Barre at his cabinet meeting to-day for his courage in sticking to economic austerity programmes. As far as the president is concerned, it is M. Barre and not M. Chirac who will lead the coalition into the election.

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Swiss GNP forecast to rise 2.5-3%

ZURICH, Dec. 7

THE SWISS economy will continue to grow at a moderate pace in 1978, with exports leading the way, Union Bank of Switzerland has forecast.

The bank, one of Switzerland's two largest, said that GNP in real terms would grow between 2.5 and 3 per cent—slightly more than expected for this year.

As in the current year, exports are expected to lead the mild Swiss economy recovery in 1978. However, Union Bank said that export growth would be somewhat slower than in 1977, when the rise is expected to be 13 per cent more than a year earlier.

John Wicks adds from Zurich: The two houses of the Swiss Parliament, in a joint session, to-day elected Mr. Pierre Aubert (Social Democrat) and Mr. Fritz Koeniger (Liberal) as new members of the governing Federal Council.

Mintoff for London

By Geoffrey Grimms VALETTA, Dec. 7

MR. DOM MINTOFF, the Maltese premier, flies to London to-day for discussions with Prime Minister, James Callaghan. He will also invite British industrialists to step up investments in Malta.

The Maltese leader is expected to ask Britain to donate equipment presently inside British bases on the island, and which is needed by Malta.

Energy imports reduced

BY OUR OWN CORRESPONDENT PARIS, Dec. 7

FRANCE'S energy-saving programme has cut imports by Frs.12bn. (£1.36bn.) in two years and achieved an economy of 13m. tonnes of oil equivalent in each of the past two years, the Cabinet heard to-day.

However, to achieve the aim of saving a total of 45m. tonnes a year by 1985 would require annual investments of Frs.5bn. by industry and other energy users, M. Rene Monory, the Industry Minister, said in a report.

The communique made no mention of the plan to impose a 2 per cent tax on users of 1,500 tonnes of oil equivalent a year, but the Ministry told its staff to start preparing the scheme. Apparently, the delay is being caused by the time needed to implement the system of benefits for concerns installing energy-saving equipment.

Aids for both industrial and domestic energy-saving are to be continued or stepped up and new measures are under study. The Government intends to negotiate "energy-saving contracts" with motor manufacturers to develop economies with road hauliers and with the railways and the Paris regional transport network.

"Growth contracts"—Government subsidies in return for planning agreements—will also be negotiated with engineering companies developing energy-saving equipment.

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Rumblings from the hole at Les Halles

BY DAVID CURRY

WHEN the old Les Halles wholesale food market was shifted to Rungis outside the city and the bulldozers invaded a corner of Paris it seemed that the heart was being wrenched from the Right Bank.

At the moment, there are three RER express Metro lines serving the Paris suburbs. Three extensions are being opened to-morrow to tie the system together. The East and West branches of the RER are being linked directly via the Gare de Lyon and the new Chatelet-Les Halles station to form one long East-West link.

The second extension is the prolongation of the Ligne des Saennas from the Gare de Lyon to the new Chatelet station with the tunnel to carry it beyond to the Gare de Nord and eventually to passengers into the Chatelet station. The SNCF is extending its southern commuter service from the Invalides station on the Left Bank further in to Orsay and Nanterre.

The Paris Regional Transport Authority (the RATP) reckons that the RER already provides some 500,000 passenger journeys a day and that some 25,000 people an hour will pile into the new central section in rush-hour. The network is not finished, since the section to the Gare du Nord is not yet ready. But the key date is now 1981, when the first "interconnection" between rail and RER will be made.

Eventually, suburban trains will be injected into the RER system at the Gare du Nord or Gare de Lyon, for example, bringing passengers into the Chatelet station. The SNCF is extending its southern commuter service from the Invalides station on the Left Bank further in to Orsay and Nanterre.

When full interchangeability is achieved the RER-SNCF commuter network will offer rapid transport into the centre of Paris for an estimated catchment area of 2.7m. suburbanites. This highlights an important social development: the Frenchman is becoming a commuter.

The RER is the commuter's charter, a fact which has not escaped the estate agents who are being "five minutes from the RER" is worth a cool 10 per cent premium on the price of an undistinguished four-bedroom suburban house.

Soviet intellectuals, writes David Satter from Moscow, are not the only ones being hounded

Mr. Kiebanov is the leader and principal organiser of the "worker-dissidents" and the documents he and others distributed at the meeting described industrial abuses that, in the West, would have been combated by a labour union.

These included the cases of Natalia Matyushcheva, who worked as a hostess in a pension in Gorki and was sacked for pay and that of other waitresses for fictitious broken crockery and then ordering new crockery for themselves. In 1975, she made these charges at a party meeting and was fired for striking. She said the Volgograd party leader she had known for 20 years refused to see her and she had been unable to find a job since.

Many of the industrial grievances described in the documents mentioned in the documents, like that of Mrs. Kurakin, concerned cases of organised corruption or theft, known to be serious and a growing problem for Soviet industry. Even in such cases, however, the response of Soviet institutions, including legal institutions, appeared to be instinctive support for existing authority.

Valentin Poplavsky (44), formerly head of the main company housing at a factory in Kilmovsk outside Moscow, said he was sacked after refusing to write a reprimand into the work record of a woman who protested about the use of company funds for drinking parties. To finance his vehement protests against the firing, he said the militia, acting on his ex-director's instructions, entered his apartment and beat him in front of his wife, children, and 87-year-old father. When he tried to file a complaint at the prosecutor's office, he was given a 15-day jail sentence and shortly afterwards, his wife was fired from the job she held for 15 years.

The worker-dissidents said their open letter that they do not have philosophical objections to the Soviet system but simply wants its constitutional guarantees, such as the right to lodge complaints and the right to protection by the courts, to be honoured in practice.

Advertisement for YACIMIENTOS PETROLIFEROS FISCALES BOLIVIANOS. Includes logo for YPF, loan details for US\$ 75,000,000 MEDIUM TERM LOAN, and a list of participating banks such as Banco Central de Bolivia, Bank of America NT & SA, Grindlay Brandts Limited, etc.

Handwritten signature 'M. Kiebanov' at the bottom of the page.

AMERICAN NEWS

Forecast of low growth in corporate investment

BY JUREK MARTIN, U.S. EDITOR

THE U.S. Administration today issued a disappointing forecast for the growth of corporate investment in the first half of next year...

U.S. foreign aid down

BY DAVID HOUSEGO

U.S. AID TO developing nations declined as a percentage of GNP last year, and stands well below its wartime level...

FBI releases Kennedy files

BY DAVID BELL

THE FEDERAL Bureau of Investigation (FBI) today released more than 40,000 pages of files about the assassination of President John F. Kennedy...

House keeps BY funds

WASHINGTON, Dec. 7.

THE U.S. House of Representatives has rejected an attempt to cancel the availability of \$462 million in funds to produce two model...

Top taxation expert dies

BY OUR OWN CORRESPONDENT

DR. LAURENCE Woodworth, the highly valued chief taxation expert in the Carter Administration, died today four days after stroke...

Ehrlichman wins parole

WASHINGTON, Dec. 7.

DR. JOHN Ehrlichman, one of the top figures in the Nixon administration who fell from power because of the Watergate scandal, will be freed from prison next April...

Mexican gas row

THE Mexican state petroleum company, said yesterday that it has agreed on prices...

Soviet-Jamaican pact

THE USSR and Jamaica have signed a technical and economic co-operation agreement...

Fears on dollar 'unjustified'

By Our Own Correspondent

NEW YORK, Dec. 7. FEARS of an imminent major decline in the value of the U.S. dollar were essentially unjustified, a senior economist of Chemical Bank said today...

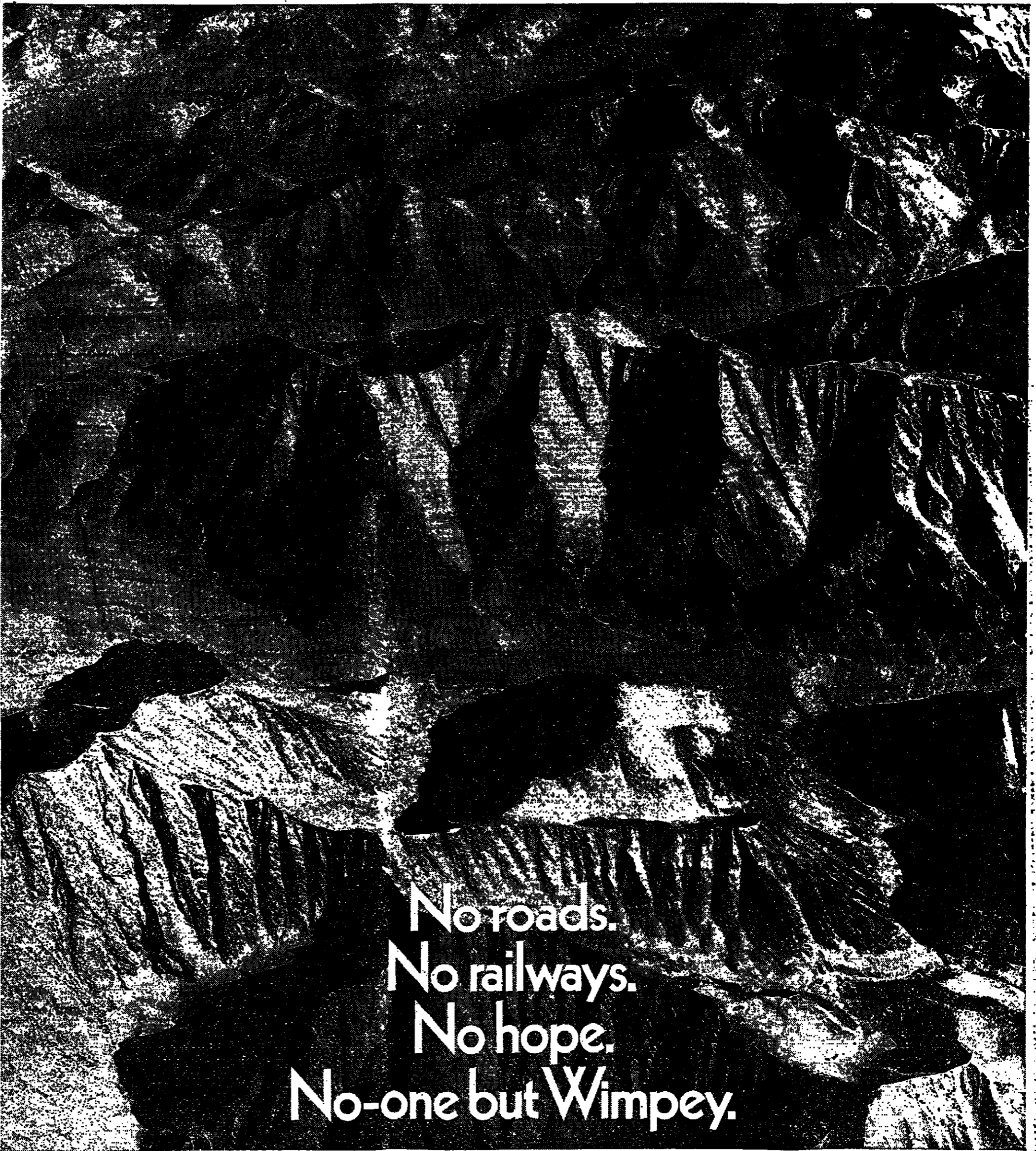
U.S. LABOUR MOVEMENT

Boycott of S. African goods planned

BY JOHN WYLES

NEW YORK, Dec. 8.

LEADERS OF the U.S. labour movement are to consider mounting a selective boycott of South African products, as part of a campaign to draw attention to the condition of workers there...



No roads. No railways. No hope. No-one but Wimpey.

Ordinarily a construction company takes a lot for granted. Power supplies, labour, lines of communication and transport systems are all expected to be "there". At Wimpey we know better...



Totally constructive

OVERSEAS NEWS

S. African employers agree to code

BY QUENTIN PEEL

JOHANNESBURG, Dec. 7.

THE MAIN employers' organisations in South Africa, representing the majority of industrial and commercial undertakings, today committed themselves to removing "discrimination based on race or colour" from their employment practices.

black trade unionists in the country. The code was presented to-day by representatives of the Urban Foundation, the business organisation set up in the wake of the Soweto riots to improve the living conditions of urban blacks, together with the South African Employers' Consultative Committee on Labour (SACCOLA) representing the 10 major employers' organisations.

Africans seek arms embargo enforcement

By Our Own Correspondent

UNITED NATIONS, Dec. 7. THE THREE African members of the Security Council have circulated a draft resolution to have the Council establish a special committee to ensure effective application of the mandatory arms embargo against South Africa adopted last month.

Namibia talks stalled over troops

BY BRIDGET BLOOM

EFFORTS BY the five Western members of the UN Security Council to achieve a negotiated settlement in Namibia have stalled over the central issue of the withdrawal of South African troops from the territory in advance of independence elections.

observers believe, may jeopardise the whole Namibian settlement initiative. According to diplomatic sources the main purpose of the five-power mission, which visited Tanzania, Zambia, Mozambique, Angola and Nigeria, as well as South Africa, was to try to secure greater flexibility from SWAPO to meet what the five feel are already considerable South African concessions.

Aquino's mother in court plea

The Philippine supreme court has agreed to hear an urgent appeal from the mother of a Filipino opposition leader, ex-Senator Benigno Aquino, seeking to stop the continued trial of her son by a military tribunal that has already sentenced him to death, reports Reuter from Manila.

Polls show downturn in support for Whitlam

BY KENNETH RANDALL

CANBERRA, Dec. 7.

THE Labour Party's chances of winning the general elections in recent polls, including the dramatic Saturday vote, have dropped, according to the latest round of national opinion polls, published to-day. But there is still considerable doubt about the impact on the polls, as well as the elections, of the implication in this theory is that, the newest political party, the Australian Democrats, led by a former Liberal Government Minister, Mr. Don Chipp, has been able to attract a substantial number of voters have been switching preferences without really being committed to them.

UAE visa clampdown

The United Arab Emirates are to clamp down again on visa requirements only months after tightening up on the regulations on sponsorship for foreign nationals, GEMA reports from Dubai.

Hong Kong police mute

Investigating violence which flared after a protest rally by Hong Kong police failed to find a single policeman able or willing to testify against a colleague, the Attorney General, Mr. John Hobbie, said yesterday, reports Reuter.

Table with 2 columns: Item, Price. Includes International Company News, Barlow Rand forecast, West German steel, Farming and Raw Materials, Copper producers divided.

Glum prospects for NZ

BY DAI HAYWARD

WELLINGTON, Dec. 7.

A GLOOMY economic forecast for New Zealand for the next 12 months was issued to-day by the Institute of Economic Research. It predicts a worsening of the current recession until September next year.

Moroccan arms cost soars

BY OUR OWN CORRESPONDENT

RABAT, Dec. 7.

THE ORDINARY budget estimates debated by parliament here this week show a phenomenal rise in Moroccan military spending from \$350m. in 1977 to \$640m. next year due to the guerilla warfare in the Sahara, according to Finance Minister Abdellatif Ghissassi.

Tehran plays up unrest

BY ANDREW WHITLEY

TEHRAN, Dec. 7.

THE NEWS media here has begun to give unusual prominence to continuing reports of unrest in Iran and to the orchestrated responses now being given by the Persian press.

PAKISTAN AFTER THE COUP

Zia's light is growing dimmer

BY SIMON HENDERSON IN ISLAMABAD

RUNNING A Government is a lot more difficult than seizing power. Five months after a coup d'etat that was portrayed as a temporary cleanup operation, General Zia-ul-Haq, Pakistan's military leader, is painfully learning the lesson that catches up with most army commanders who are dragged into politics.

Large advertisement for 'Interdependence... a vital factor in the very survival of a West European Electronics Industry' - ELECTRONICS WEEKLY

Advertisement for Mullard electronics components, featuring the headline 'Mullard call it partnership...' and various sub-headings like 'in components for the future', 'in continuity of supply', and 'in broadening the impact'.

Mullard logo and contact information: Mullard Limited, Mullard House, Torrington Place, London WC1E 7HD. Includes the Mullard crest and the year 1976.

Handwritten signature or note at the bottom of the page.

Canada 'overlooked' in Japan talks

BY CHARLES SMITH

THE CANADIAN Government has made representations to Japan about discrimination against Canada's trading interests in the bilateral U.S.-Japan negotiations on import liberalisation.

Japan has given assurances in return that the subject of import liberalisation is being viewed from a global point of view but Canada remains unhappy about having a "global solution" to Japan's trade problems negotiated exclusively with the U.S.

This was stated today by the Canadian Ambassador to Tokyo, Mr. Bruce Rankin, who added that he had firm evidence that at least in the earlier stages of import liberalisation talks, his country's interests were being disregarded. A provisional list of tariff cuts proposed by Japan as part of the liberalisation package to be offered to the U.S. included Scotch whisky and American bourbon, but not Canadian whisky, Mr. Rankin said.

Another instance of Canada's interests being overlooked was

the inclusion of American (but not Canadian) wheat on a list of products scheduled for stockpiling by Japan. Mr. Rankin says he has told the Japanese Government that Canada will not "sit idly by" if the final list of liberalisation measures agreed by Japan singles out American products and overlooks similar products from Canada.

The Ambassador expects to meet Japan's Minister of External Relations, Mr. Nobuhiko Ushiba, before Mr. Ushiba leaves for Washington at the weekend for what are likely to be conclusive negotiations on the contents of the Japanese package. A meeting with Mr. Miyazawa, director general of the Economic Planning Agency has also been requested.

Mr. Rankin said today that his concern about the "bilateralism" of Japan's approach to solving its trade problems had been increased after a visit to Tokyo three weeks ago by an aide of Mr. Robert Strauss, the U.S. Special Trade Negotiator. During the visit the U.S. virtu-

ally read the riot act to Japan and Japanese officials worked round the clock to come up with a list of trade liberalisation measures satisfactory to the Americans.

The Ambassador held a lunch meeting shortly afterwards for top officials from four of the five main Japanese ministries involved in sorting out trade and balance of payments problems (the Ministries of Finance, Foreign Affairs, Agriculture and International Trade and Industry). He noted that, after the lunch meeting, two of the officials who had attended, Mr. Buroku Yoshino of the Foreign Ministry and Mr. Uchimura of the Ministry of Agriculture had made "purely bilateral" speeches about the trade problems.

Unlike the U.S. and most European countries, Canada has a large positive balance on its trade with Japan (its exports in 1976 were worth \$2.7bn, compared with imports from Japan worth \$1.8bn). However, Canada's attempts to sell manufactured goods to Japan have been notably

Nissan to buy U.K. upholstery

By Douglas Ramsey

TOKYO, Dec. 7. MOST Datsun cars sold in Britain will soon be upholstered with British seat fabric under an agreement signed in Tokyo today between Nissan Motor Company and Jersey-Kapwood, a member of the Carrington Viyella Group.

The Nottingham-based company has secured a contract to supply material for all Datsun 120YS bound for Europe and all Datsun 100A-120A export models except those for North America.

These models make up 72 per cent of U.K. Datsun imports and it is the first Nissan contract to import automotive goods from the U.K. As such it is viewed as an indication of Nissan's willingness to build more European components and accessories into the cars it sells to Europe.

The Nissan deal is expected to earn Jersey-Kapwood between £750,000 and £1m a year, but delivery volumes will be adjusted to export production. If Datsun exports to Britain rise dramatically, the U.K. company will sell more seat fabric, expected to reach 10,000 vehicles per month in 1978.

If, however, there is a drop in Datsun sales to these markets, Jersey-Kapwood's earnings will decline in tandem. Nissan has written the contract in such a way as to create more opposition (along with Datsun dealers) to any forced reduction of sales in the U.K.

The seat fabric contract has been under negotiation since 1975, not long after Nissan created an internal department in charge of importing foreign-made seat fabric.

Until now, British industry has been by-passed in favour of other suppliers, notably the U.S., which saw its sales to Nissan rise from about \$5m. in 1975 to \$10m. in 1976. The company reckons 1977 imports from American suppliers will be about \$15m.

Honda Motors already takes seat belts from the Carlisle company, Kangol, and Toyota is understood to have agreed to buy up to 100,000 Kangol seat belts a year for installation on domestic Toyota models.

AUSTRIAN TRADE DEFICIT

Putting up the shutters

BY PAUL LENDYAI IN VIENNA

AUSTRIA'S VISIBLE trade deficit this year reached an all-time peak of Sch.51bn. (£1.75bn) a rise of 31 per cent, on the figures for the same period in 1976. Though exports were up by 8.4 per cent to Sch.118.5bn., the import bill rose even more rapidly, by 14.3 per cent to Sch.169.5bn.

In assessing the deterioration of the trade balance it is worth recalling that the figure for the nine months is more than double the deficit recorded in the year of 1971 as a whole.

According to the Central Office for Statistics, exports in all major groups, except for foodstuffs, were larger than a year before. Imports of oil and petroleum products were down by 8.3 per cent, but those of natural gas rose by 6.8 per cent. Imports of machinery and transport equipment jumped by 22 per cent during the recorded period.

It is pointed out, however, that the figures for September seemed to indicate a certain slowing down of the adverse trend. In August 1977 the imbalance was 56 per cent greater than in the same month a year earlier, and the deficit in September was 18 per cent higher than in the same month in 1976. In September exports were up by 9.4 per cent, imports by 11.5 per cent.

What makes the figures alarming is that tourist revenue can no longer offset the enormous merchandise deficit. In the first eight months of this year tourism covered only 47 per cent of the trade deficit as against 56 per cent last year and 96 per cent in 1975.

According to the figures just published by the Central Bank, the net foreign exchange revenue from tourism (after reduction of spending by Austrians abroad) was 1.3 per cent less during January-September than in the same period in 1976. As a result, the deficit on current account doubled in Sch.28.5bn. and external reserves fell by Sch.10bn.

Faced with this problem, the Government has decided to increase duties on imports from countries which do not belong to the European Community or EFTA, and is planning further import restrictions and control measures. As from November 1, for example, duties which were previously unilaterally reduced have been raised on a wide range of goods including textiles, clothing, electrical appliances, cameras, tyres, fruit and vegetables.

In all, the Treasury reckons with additional revenues of Sch.200m. Low cost export producers and East European countries will be primarily affected. Thus, for example,

duties on TV sets were raised from 14 per cent to 35 per cent and on radios from 10-16 per cent to 35 per cent.

The Finance Ministry stressed that the measures were taken to satisfy the wishes of farmers and of the textile industries. However, it is felt that the relatively small additional revenues are in no relation to the possible repercussions in Japan, Asia and Eastern Europe.

It is also said that in certain sectors, the share of the EEC and EFTA countries is so high that the increased tariffs with regard to third countries will hardly affect imports.

In all, the higher tariffs involve total imports worth Sch.2bn. with farm products accounting for one-third. It is stressed by the Ministry of Trade that Austria has merely revoked previous tariff concessions and that in no case have the GATT tariffs surpassed.

However, the Trade Ministry also hinted that further duty increases cannot be excluded in 1978. In fact, however, the trade deficit is primarily due to the massive imbalance in exchanges with the EEC and there have been complaints that the EEC has shown no willingness to make access easier for Austrian exporters of so-called "sensitive products."

Plan for oil stockpile

TOKYO, Dec. 7.

JAPANESE GOVERNMENT agencies are working on plans to import about \$400m-worth of crude oil for stockpiling aboard 10 Japanese supertankers, the Ministry for International Trade and Industry said today.

The Government would finance the imports and chartering of supertankers as well as preparing suitable ports where they would be moored. This is part of the eight-point package adopted by the Government yesterday to increase imports to reduce its trade surplus.

Last August the Japan Shippers Association said 20 supertankers of more than 200,000 deadweight tons would be available for stockpiling oil for two years at a charterage of 100 Yen a month per ton.

Shoe import curbs welcomed

BY VICTOR MACKIE

THE EFFECTS of the Canadian decision to impose quotas on imports of footwear will be that imports will be reduced by up to 25 per cent from 1977 levels. They will be held at that ceiling for three years.

The move, welcomed by the country's shoe manufacturers, alarmed Canadian consumers who fear that the inevitable Tokyo three weeks ago by an aide of Mr. Robert Strauss, the U.S. Special Trade Negotiator. During the visit the U.S. virtu-

with the remainder spread across Canada.

The quotas will primarily affect imports of leather and non-leather footwear. Imports will be limited to 32.5m. pairs in each of the three years of the programme, the average of imports between 1974 and 1976. Waterproof rubber and plastic footwear as well as down-heeled ski boots will not be affected.

Mr. Don MacLeod, chairman of the Shoe Manufacturers' Association of Canada, which has been lobbying hard for the protection, described the quotas as "reasonable." He said domestic manufacturers will work to become more competitive during the three-year period, and he was confident that it will definitely reverse the downward spiral of the industry.

Miss Barbara Sulzemo, policy analyst with the Consumers Association of Canada, said the

OTTAWA, Dec. 7.

quotas would mean higher prices, particularly for low-cost items purchased by low-income consumers. Importers would probably shift their quota to higher priced items where unit profits are higher.

Mr. Peter Dawes, spokesman for the Canadian Importers Association predicted there could be serious retaliation from our trading partners. We have the most shocking commercial reputation abroad. We have become restrictive at a time when everyone is trying to dismantle barriers to trade."

M. Chretien said that Canada is facing the "dilemma" of coping with the short-term problems of domestic industries on the one hand while seeking longer-term benefits in the form of freer trade in the 1980s under the GATT. He considered the quotas on shoes and clothing were "somewhat protectionist" but in three years we'll see."

Debts 'absorb 25% of LDC earnings'

GENEVA, Dec. 7.

BY NEXT year debt servicing will absorb 25 per cent of the export earnings of the world's 5 least-developed countries, with the percentage much higher or some of them individually, according to the United Nations Conference on Trade and Development (UNCTAD).

These low-income States, which

UNCTAD said, currently have an external debt of \$180bn., up from \$110bn. in 1975.

Their economic growth rate during the eight years from 1970 through 1977 is expected to average 3.4 per cent a year, compared with 5.1 per cent for developing countries taken as a whole. The targeted annual

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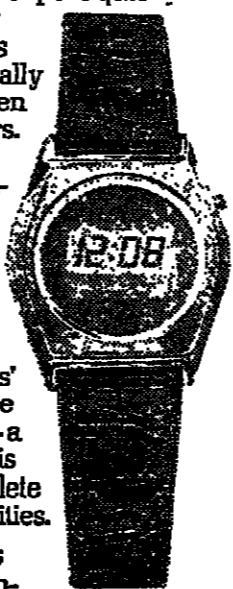
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Texas Instruments Ltd, European Consumer Division, Manton Lane, Bedford, Tel: Bedford (0234) 63181.

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(A company wholly owned by the National Coal Board Pension Funds)

Offer for the Ordinary Shares of THE BRITISH INVESTMENT TRUST LIMITED

S. G. Warburg & Co. Ltd., on behalf of Black Diamonds Pensions Limited, wishes to emphasise that the Offer expires at 3 p.m. on Monday, 12th December, 1977 and that neither the guaranteed minimum cash price of 165p per share nor the formula value of the Offer if higher on 12th December, 1977 will be open for acceptance after that time under any circumstances.

Black Diamonds Pensions Limited is concerned that it has not been generally understood that the Offer closes at that time and will not be extended whether or not it has become or been declared unconditional.

Fourteen days' notice of the expiry of the Offer at 3 p.m. on Monday, 12th December, 1977 was given (under Rule 23(1) of The City Code on Take-overs and Mergers) on 28th November, 1977 in the letter sent to the Ordinary Shareholders of The British Investment Trust Limited by S. G. Warburg & Co. Ltd., on that date. Accordingly the Offer will expire at 3 p.m. on Monday, 12th December, 1977. It cannot be extended or revised and it cannot be accepted after that time under any circumstances.

This statement has been issued by S. G. Warburg & Co. Ltd., on behalf of Black Diamonds Pensions Limited. The Board of Black Diamonds Pensions Limited has taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate and all the Directors jointly and severally accept responsibility accordingly.



Barnett, Christie Limited Bankers

16 Beekes Street, London, W1X 5AE

Base Rate

Barnett, Christie Limited announces that with effect from the close of business on the 7th of December 1977 and until further notice, its Base Lending Rate will be 8 1/2%

French call for more export aid

PARIS, Dec. 7.

FRANCE SHOULD increase aid to exporters, in particular to improve its worsening trade balance with OECD countries, a report prepared for the Economic and Social Council said.

The report written by the Council's Vice-Chairman M. Jean Deleau, said the efforts being made to recycle raw materials and economise on energy should be maintained.

The Government should encourage investment and support the financial markets, allow balance-sheet revaluation and do its best to lower interest rates.

Finnish order

The Finnish construction company Rakennusosasto has signed a letter of intent with Arvand Kenar to build a 300-room luxury hotel on the Gulf in south Iraq. The value of the contract is about £10m. (£10m.) and is to be completed in 18 months.

Loan for Portugal

THE EXPORT Credits Guarantee Department has provided the guarantee of repayment and funding for a \$5.1m. loan which Baring Brothers, acting on behalf of the Bank of Scotland, has made available to Petroleos de Portugal EP (Petrogal) of Lisbon.

The loan will help finance a \$6m. addition to a £12m. contract awarded by Petrogal to Procon (Great Britain). The additional contract is for the supply of materials and services for an extension to the oil refinery at Sines, 80 miles south of Lisbon.

Hong Kong contract

Redpath Dorman Long has won a contract in Hong Kong for the design, supply, fabrication and shipment of approximately 1,000 tonnes of structural steelwork for a steel plant building located at Junk Bay in the New Territories, agencies report. The contract for Shiu Wing Steel also incorporates the supply of approximately 13,000 square metres of PVF 2 steel sheeting, a product of the British Steel Corporation, for cladding roofs and sides of the building.

Nova Scotia terminal

The Canadian Government said a \$335.6m. container-handling terminal for ships will be built at Fairview Cove at Halifax, N.S. Canada will contribute \$209.1m. toward the project and the Province of Nova Scotia the remainder. AP-DJ reports from Ottawa. The terminal, to open in 1980, will have a 1,000-foot single berth with a roll-on roll-off ramp and a 50-acre storage area.

HOME NEWS

Why top engineers quit private sector

BY LYNTON McLAJN, INDUSTRIAL STAFF

BRITAIN IS losing its capability in engineering design, research and development at a time when salaries of the country's top engineers are falling behind those for industry as a whole. One result, according to a major survey of Britain's professional engineers published yesterday by the Council of Engineering Institutions, is a shift of qualified engineers from the private to the better-paid public sector, while engineers directly concerned with the "wealth producing industrial function" are paid the least. The survey confirmed many of the worst fears about the declining fortunes of British engineering and engineers already expressed in CEI surveys going back to 1966. Compared with 1966, the proportion of Britain's 150,000 chartered engineers working on design has fallen almost completely from 27,000 to 15,000 in 1977. In research and development there has been a reduction from 12.5 to 8.7 per cent. The CEI points out that a part of this fall may be accounted for by new "technical" administration, which now accounts for the employment of 18.4 per cent of all chartered engineers. The CEI blamed low salaries for the decline. But Mr. Brian Hildrey, chairman of the survey steering committee, also blamed engineering education. He said there are honours graduates in industry who have never held a spanner. Practical training in engineering had to come back and would be engineering undergraduates should spend time in industry before starting a course. There was evidence that the "quality brain" was not going into design, the "Barnes Wallises of this world" are not being generated and the U.K. was moving steadily away from a capability in design engineering. "We have an option but to live on our technology," he said, and yet engineers were voting with their feet, getting out of production and into the public sector. Less than 45 per cent of all 40,000 working parties, which are 50,000 technicians engineers, are now employed in industry. This compares with 46.3 per cent of all chartered engineers in 1968 and 53.4 per cent in 1966, including those working in consultancy companies. Chartered engineers in the public sector have maintained their salary advantages compared with the private sector. In 1977, those with an average age of 41, working in industrial and commercial companies earned an average of £5,600. This compares with a median income of £5,050 for those engineers in nationalised industries, £5,300 in public corporations, £6,000 in local authorities, £6,130 in regional authorities, £6,920 in central government, £6,150 in the armed forces, £6,650 in universities, and £3,000 for those self-employed. Taking 1965/66 as an index of 100 for the real median income for all chartered engineers, by 1976/77 they were earning 112. This compares with the real average earnings index for all industries of 131. The CEI concludes that "the rewards received for the contribution made to a nation of engineers in technology" have not kept pace with the cost of living.

Getting out

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Government makes first industry policy review

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE GOVERNMENT'S first wide-ranging review of many of its policies which affect the performance of industry took place yesterday at the monthly meeting of the National Economic Development Council, which also studied the impact of the industrial strategy on defence policy. It was the last meeting to be attended by Sir Ronald McIntosh, who retires as its director-general at the end of this month. The Government will advertise for someone to succeed him. The job carries a salary of nearly £19,000 a year. It is thought that the Government will look for a relatively young industrialist in his 40s who can bring a fresh perspective to the National Economic Development Office and to its work on the Government's industrial strategy. A short list will be drawn up for the Prime Minister by a three-man team. Sir Douglas Wass, Permanent Secretary to the Treasury; Mr. Len Murray, TUC general secretary; and Mr. John Methven, director-general of the CBI. Mr. Bernard Asher, NEDO's industrial director, has been appointed acting director-general. He is on secondment to NEDO till June from his company, Standard Telephones and Cables, where he is a marketing and economics expert. Aged 41, he was a research assistant for a year with the National Union of Mineworkers. Mr. Asher's first job will be to process reports from NEDO's 40 sector working parties, which operate within the Government's industrial strategy and are concluding reviews of their progress in the past two years. It was against this background of progress with the strategy that the NEDC considered yesterday Government policies which did not form a direct part of its industrial policies but had considerable impact on efficiency of industry. Sir Ronald said it was "very important" that the Government should be prepared to do this. Mr. John Gilbert, Minister of State for Defence, said his Ministry recognised that it should use its defence equipment buying power to "preserve and enhance" British industry's ability to manufacture such goods. It would try to keep skilled work forces and design teams together in defence equipment factories. A joint paper was submitted by Mr. Denis Healey, Chancellor of the Exchequer, and Mr. Eric Varley, Industry Secretary, on a wide range of policies such as labour supply in the private sector; education in schools; higher education; housing; secondment of civil servants to industry; incentives to work; cost of capital; and manpower.

Car output may drop below 1976

By Terry Dodsworth, Motor Industry Correspondent

CAR PRODUCTION last month improved significantly as the industry overcame many outstanding industrial disputes. But it looks unlikely that output for the year will reach last year's total of 1,333m. vehicles. By the end of November the industry had produced 1,198m. cars, of which 114,000 were made last month, compared with 104,000 in October. In December, output is unlikely to be as good because of the Christmas holidays. Production at British Leyland is still not trouble free. The company does not expect to build TR7s or Dolomites for the rest of this year. Commercial vehicle production, much more buoyant than cars so far this year, fell back last month to 59,000 units, compared with 62,900 in October. Despite this fall, the commercial vehicle industry should improve on the production record last year, when 372,100 units were made. So far output has reached 3,120,000. The production figures, published yesterday by the Department of Industry, underline the continuing official concern about the inability of the motor assembly sector to meet market demand. Although truck production has risen this year, it has not been enough to meet extra demand, and imports have been sucked in. Car production has remained stagnant against a rising market, causing an even more significant increase in imports. Given this background, the Government is increasingly aware that it may have to face another increase in imported vehicles next year if there is the expected improvement in the market.

One year's Piper oil repays \$150m. loan

BY BRUCE ANDREWS

BY the end of this month Occidental Petroleum will have repaid almost all a \$150m. loan for development of its Piper oil field in the British sector of the North Sea. Repayment will have been made from the cash flow from the field, just over a year after oil began to flow and six years ahead of the time allowed by the lenders. Production from the Piper field is now running at 270,000 barrels a day. Industry sources estimate that it will average 230,000 barrels for 1977. Stockbrokers Wood Mackenzie estimate that cash flow from the field, in which Occidental has a 36.5 per cent share, will be \$815m. in 1977, before loan repayments. Production is expected to average 300,000 barrels a day in 1978 to yield a cash flow of \$783m. Members of the banking consortium led by the latest now about Energy Bank and the Republic National Bank of Dallas have entirely out of cash flow. mixed feelings about the early repayment. Said one member of the consortium: "While we in no way criticise Occidental for making early repayment, it is a little bitter when rates are soft and there is high bank liquidity. We would like to have seen the loan run its full term." When Occidental sought the loan in 1974 some banks were nervous about financing the new oil province. Last year Occidental raised \$175m. and Thomson \$100m. from consortia led by the same banks, to finance development of the nearby Claymore field, which went on stream last month with an expected average flow of 100,000 barrels a day in 1978. In order to obtain permission to increase Piper production to 300,000 barrels a day, the field partners have undertaken to install gas-handling facilities at a cost now estimated at about \$170m. This will be financed entirely out of cash flow.

U.K. lags behind in real earnings in industry

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

REAL EARNINGS per head in manufacturing industry in every large industrial country except the U.S. grew at least twice as fast in the U.K. in the decade to 1973, according to Treasury figures published yesterday. This is revealed in the December issue of the Treasury's monthly Economic Progress Report in an article on productivity and real earnings. It notes the fundamental link between productivity growth and real earnings. "An analysis of the more successful industrial economies shows that their high rate of productivity growth has been accompanied by a significant and sustained increase in real earnings - something which has not been achieved in the U.K. even though there has been a relatively high rate of growth in money wages."

Subsidies real help to poor

BY MICHAEL BLANDEN

GOVERNMENT subsidies on the burden on households of housing and food provided significant benefits for less well-off families and for retired people in the past few years, according to an article in the latest issue of the Central Statistical Office's Economic Trends. The article concludes that there has been a clear expansion in the use made of subsidies. Up to about 1972 they were used mainly to overcome the impact of structural problems in the economy such as the effect of the shift from rail to road as the prime means of transport. Since then, subsidies have also been used as a means of easing the burden on households of authority spending and their problems such as high rate of inflation and unemployment. As these problems are solved, it is suggested, the level of subsidies could fall. Subsidies which affect prices more or less directly, such as food subsidies and compensation for price restraint in nationalised industries, tend to redistribute income from smaller to larger families, from the economically active population to pensioners, and from high-income to low-income groups. The article points out that housing subsidies, mainly designed as Government payments to bridge the gap between local

Takeover bids and price rises

BY MARGARET REID

COMPANY STATEMENTS about takeover bids were rushed out because the share price was rising in 17 cases between mid-April and the end of October this year - 13 per cent of all the takeover announcements, a survey by the City Takeover Panel shows. The cases probably include situations where suspicion of a leak prompted a panel or Stock Exchange inquiry. The panel is believed to regard the relatively low level of initial bid statements prompted by price rises as encouraging. The study was made following the Joint Stock Exchange panel statement in April which stressed the need for an early announcement. In 31 cases, just under one-in-four, preliminary bid announcements were unprompted by any previous share price upsurge. The panel considers that the proportion is not so high as to suggest that an inconveniently large number of preliminary statements are being forced out by the tightened principles. Six deals were called off after a preliminary announcement, a proportion not apparently regarded by the panel as worrying. The study evidently did not show that there were a significant number of firm bid announcements being preceded by jumps in the relevant share price.

Forced out

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Fiat launches sales campaign

FIAT U.K. is launching a free petrol sales campaign this month. It offers 1,000 miles of free petrol and 5 per cent personal loans on new Fiats registered between December 11 and February 12. Fiat also guarantees to freeze the price of its 127 models until the end of the promotion. Fiat's move indicates the industry's belief that the U.K. market will be relatively buoyant in the early part of next year. Importers are making efforts to capitalise on this because they believe that there will be good opportunities in the private market.

All honour to the Japanese

NEWS ANALYSIS—HITACHI

BY MAX WILKINSON

THE drama over Hitachi's plans to set up television manufacturing plant in the U.K. has had a most embarrassing finale from the Government's point of view. The reason is that about a year ago Department of Industry officials more or less promised Hitachi that permission to come to Britain would be granted under certain conditions. This informal assurance was made in full accord with the Government's policy of encouraging inward investment by foreign multinationals to provide jobs and help to increase industrial activity. However, when Hitachi's first approaches were made towards the end of 1976 officials realised there would be problems with the established domestic industry which was in a depressed state with up to 40 per cent surplus capacity. It was for this reason that fairly strict conditions were laid down, similar to those which had been sought from the other two Japanese companies, Sony and Matsushita, which have set up television manufacturing plants in Wales. These conditions were broadly that at least half the components should be obtained from U.K. suppliers, that as far as possible direct imports of Hitachi sets from Japan should be reduced as U.K. production was able to supply the market, and that a high proportion of the production should be exported. News of Hitachi's plans broke in late February last year, roughly at the same time that the industry became clearly aware of the company's plans to set up a television tube manufacturing plant in Finland as a joint venture with the Finnish Government and Salora. Thorn, the largest British television set manufacturer, led a vigorous campaign against Hitachi's proposal in the U.K. which was for a factory in Washington, County Durham, beginning with about 70,000 sets a year. Thorn was supported in a quiet way by Philips, the Dutch group which has the second largest television set manufacturing plant in the U.K. and also owns Mullard, the only remaining maker of picture tubes. Thorn was particularly incensed because it believed the Government was behaving inconsistently towards it. The Government was urging U.K. manufacturers to support the U.K. component industry by buying more from Britain, even though the industry claimed that Japanese components were more reliable and often cheaper. Thorn argued that it was unfair of the Government through its industrial strategy, in the National Economic Development Office to try to prevent the companies using Japanese components, if at the same time it was opening the doors to Japanese competition. The other main argument, endorsed by all the U.K. companies, was that the industry already suffered serious overcapacity. There was also the fear that Hitachi would exploit the advantage of its huge Japanese production of 1m. sets a year to cut prices. These arguments raged throughout the spring and early summer culminating in a unanimous decision by the NEDO sector working party that Hitachi should be denied. The working party set out its views in a strongly worded document which made bitter accusations against Hitachi's previous conduct in the U.K. television industry and questioned whether it would or could honour its undertakings to the Government. What appears now to have happened is that Hitachi has behaved in a gentlemanly fashion by withdrawing so to spare the British Government embarrassment. The Government has been consistent in its desire to accept Hitachi's proposal if possible, particularly as there is always a possibility that the company could set up elsewhere in Europe and export to the U.K. from there. However, this now seems unlikely. The reason is that the Telefunken licence for the PAL colour system says that only half the production from any given country may be exported. That means Hitachi would have to set up in a country with a large home market. France is ruled out because it uses a different system called SEACAM. That leaves only West Germany as a practicable site. But West German labour costs are extremely high and it already has a strong home industry including Grundig and Telefunken. It is likely therefore that Hitachi will bide its time and wait for a cooling of the opposition in the U.K. Meanwhile, Mr. Williams says he hopes that industry will be rationalised. This has been necessary for some time because Thorn, with production of more than 500 sets a year, is the only U.K. company with large enough volume to compete in the international league.

No sign of drop in Building Society rates as funds flow in

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

BUILDING SOCIETIES are still taking in a near-record volume of funds, although they are not expected to decide on a further reduction in interest rates when they meet in London tomorrow. Estimates suggest that net receipts for the movement during November reached about £550m, against the record £500m in the previous month. The societies are reluctant, however, to take any decision on lowering rates again until they have time to fully assess the impact of last month's sharp rise in minimum lending rate—and subsequent increases in short-term rates—on their competitive ness. They will also wish to satisfy themselves that further rises are unlikely. Earlier hopes that the societies would this week decide on a further reduction in the 9½ per cent, home loan rate were dashed by the 2 per cent rise in M.L.R. at the end of November. But if the present stable interest rate situation continues and societies are confident of attracting a high volume of funds early in 1978, then another cut cannot be ruled out. Despite the rise in other short-term rates, the societies are still offering a highly competitive return compared with most other forms of investment and many executives believe that another reduction in investors' and borrowers' rates can still be accommodated. December will not provide a reliable indication of prospects because of the heavy volume of Christmas withdrawals but the investment pattern in early January should provide enough evidence for the societies to make a decision when they next meet on January 13.

Wage-into-bank call by Giro

FINANCIAL TIMES REPORTER

THE NATIONAL GIRO has called on the Government to give a lead in abolishing cash wages. The National Giro has told the Wilson Committee on financial institutions that it wants the employer to have "the right to pay employees by transfer to an account." Under the Payment of Wages Act payment can be made into accounts only with the employee's consent. Mr. Sam Wainwright, managing director of National Giro, said yesterday he did not want to remove Britain's right to be paid in cash. "But he suggested the 'environment' should be changed so that payment into an account was the norm for manual as well as white-collar workers."

Legal move simplifies procedure

By A. H. Hermann, Legal Correspondent

THOSE AGGRIEVED by an action—or inaction—of government department or any other public authority will be able to apply to the High Court for relief under a new, greatly simplified procedure. The procedural reform announced by the Lord Chancellor in the House of Lords yesterday is expected to make a significant and useful improvement in the administrative law of the U.K. The reform, which will come into effect on January 11, the first day of the next legal Term, is embodied in Order 53 of the Rules of the Supreme Court. It introduces a new comprehensive form of application for "judicial review," sweeping away the differences which now exist between various procedures, most of which the petitioner must choose: prerogative orders (mandamus, certiorari and prohibition, action for an injunction or declaration and damages).

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John S. Dyson, Commissioner, New York State Dept. of Commerce



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Write to the Governor, Hugh Carey, at the State Capitol, Albany, New York 12224 or contact me, John Dyson, Commissioner of Commerce, 99 Washington Avenue, Albany, New York 12245. For faster action call me directly at this number: 518-474-4100.

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Here are just a few of the changes the New York State Legislature made for business last year. For the first time since 1926, we permanently lowered the personal income tax rate in New York State. And we believe it will come down even more. We reduced the stock transfer tax. And we'll eliminate it by 1981. And in New York City the bond transfer tax was eliminated.

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That's a priceless pool of brains and manpower for any corporation to draw from.

Of course, New York State already has the greatest transportation systems, possibly in the world.

From its deep water ports to airports to rails to roads, so goods and services can be moved in and out of New York State faster and easier. Plus we have over one thousand choice industrial sites available all around New York State, over nine hundred alone are zoned for a minimum of 25 acres.

We offer you one of the financial capitals of the world: New York City.

Certainly there's no other city in the western hemisphere that even comes close to what New York City has to offer.

It's the investment and financial capital of America. It's unquestionably the site of the largest money market in the world, with the infrastructure and communications network to support it.

And it is a city that has more international banks than any other city in America two hundred and thirty-three representing sixty-five countries.

In addition three hundred of the four hundred and eighty member firms of the New York Stock Exchange are headquartered in New York.

Of course, virtually every country in the world is officially represented here.

And as far as international trade organizations go—their numbers are as numerous as their consulates.

You'll also find every conceivable marketing consultant, research firm and support organization right in the heart of the city.

Maybe all this explains why there are hundreds of major non-U.S. companies quartered in New York City, and why every year more international companies keep coming to New York City more than to any other city.

The second decision.

It's as important as the first.

How your people will fit in when they come to America is important to know. It affects how well they'll perform.

When people from outside the United States come to New York City they not only feel excited, they also feel comfortable.

That's because this city is one of the great international cities of the world.

Maybe that's why international businessmen feel right at home here. Maybe that's why they're able to fit in so fast and get on with business.

For their children we have many fine schools that cater to international students. So they, too, can feel right at home.

For their wives the city offers hundreds of foreign,

HOME NEWS

LABOUR NEWS

'Route to Rhodesia' in arms plan

FINANCIAL TIMES REPORTER PROJECTED arrangements between a senior British Army officer and an Iranian businessman to find a Middle East route which could be used to supply goods to Rhodesia were mentioned in the Iranian arms deals case at the Old Bailey yesterday.

Letters from the accused officer, Lt-Col. David Randel, 41, a former Defence Ministry signals adviser, to Mr. Vahed Ghaladari, of Tehran, were read to the jury before the prosecution case ended against him and two London businessmen for alleged corruption.

The Rhodesian scheme was said to have been suggested by Lt-Col. Randel in 1974, when he was still a serving officer. Two years after a £4m. arms contract involved in the case had been won by the Racial Electronics group.

Mr. Michael Neilgan, for the prosecution, read in court a letter dated August 7, 1974, which Lt-Col. Randel was said to have sent from London to Mr. Ghaladari in which he mentioned the firm making this voice equipment may wish to sell some of it to Rhodesia.

The jury was told that Mr. Ghaladari would not be giving evidence and the hearing was adjourned until January before the defence case opens. Lt-Col. Randel, 41, denies corruptly receiving almost £5,000 in bribes from two former executives of Racial Electronics for showing favours over the firm's deal in 1971-72.

Bid to beat social security frauds soon

PROSECUTIONS for social security frauds are expected to rise by more than 30 per cent by the end of this year to about 25,000, a Government report disclosed yesterday.

But the report shows that only £2.5m. fraud was revealed in 1975-76 out of annual payments of £13bn. on some 25m. claims. That was only the identifiable fraudulent claims and Department of Health and Social Security officials suggested yesterday that potential fraudulent claims could be as high as £84m.

About 80,000 claimants' books, worth £800 each, are lost each year. The report was prepared by the Department to investigate fraudulent social security claims following allegations that the system is being abused.

Mr. Stanley Orme, Minister for Social Security, also announced yesterday that the Government was considering legislation early in the New Year to prevent employers' collusion in fraudulent claims.

It is expected to make collusion an offence and is aimed at companies where people claiming social security are also employed on a casual basis.

The Department has also increased its fraud specialists in the past 18 months by 355 staff to over 1,000 and has overhauled its training programme.

Mr. Orme said that he was convinced that the measures, plus a more vigorous approach by staff, had produced the rise in prosecutions. There is about a 98 per cent success rate in prosecutions.

Mr. Bob Cryer, Parliamentary Under Secretary at the Industry Department, who visited the plant yesterday told the co-operative Board that applications would be fully considered.

Meriden to ask for more State aid

THE MERIDEN motorcycle co-operative, which has orders from North America, Australia and others that will keep the 650 labour force busy until April, will apply for another Government grant for future product development.

Since taking over the market from Norton Villiers in April, Meriden has re-organised distribution overseas with the help of Lord Stokes, British Leyland president.

Modern production and management techniques were fostered by a team from GEC while the ageing 750 c.c. Bonneville was in high demand, new models would be needed for future success.

Mr. Charles Denton, controller of ATV, said his company had faith in the freelance crew which made the programme, one of four in a series, to be screened next Wednesday.

Mr. Gregor MacKenzie, Minister of State at the Scottish Office, said that while 150 new jobs was envisaged in the first phase as many as 300 could eventually be employed on the site, which has been planned to allow for future expansion.

The company, which makes engineering products and components associated with the transmission and control of fluids and gases, such as valves, seals and process controls, is particularly anxious to make an impact in the rich U.S. market.

It is intolerable and disgraceful that a responsible company such as ATV should proceed with the screening of a programme when there are grave doubts about particular parts of the film, said Mr. Winterton.

Mr. Winterton made his demand in a letter to Lady Plowden, the chairman of IBA. The sequences complained of by Tate and Lyle show black workers being interviewed about their conditions and pay on the Illovo Sugar Estate near Durban, the partly owned by Tate and Lyle.

Lift engineers unable to agree over pay offer

THE 5,000 lift engineers whose one-month strike has put thousands of lifts throughout the country out of action are deeply divided over whether to return to work on the basis of a pay offer the employers say is worth 10 per cent on earnings.

A mass meeting of London lift maintenance men voted two-to-one yesterday to end the strike in defiance of a national shop steward's recommendation.

With about a third of the total of lift engineers involved in the strike, the London vote was being taken as a significant pointer to feelings of workers elsewhere.

Other mass meetings were held yesterday, however, and at some, including those at Manchester and Glasgow, the engineers voted to continue the stoppage.

The series of meetings will finish to-morrow when the Electrical and Plumbing Trades Union, to which the men belong, will inform shop stewards of the outcome of the national vote which is being carried out on the basis of a straight head count.

If there is a decision to end the strike, the men will be back at work on Monday. Whatever the outcome of this vote, the dispute has soured relations between employers and the engineers that some shop stewards were predicting yesterday that it will take years for the co-operation that has existed between the two sides since the last national strike more than 20 years ago to be regained.

The employers say workers at that lift companies refused to co-operate with their offer to set up an emergency service for hospitals and old peoples homes during the strike.

The offer involves rises of between £4 and £7 on basic rates which range from £43 to £58.

ATV S. Africa film goes ahead

THE INDEPENDENT television company ATV says it will screen a documentary on working conditions of British companies in South Africa in spite of allegations that some of the material was faked.

Mr. Nicholas Winterton, Conservative MP for Macclesfield, has called on the Independent Broadcasting Authority to start an inquiry into the allegations by Tate and Lyle about the accuracy of ATV films in South Africa.

Mr. Winterton made his demand in a letter to Lady Plowden, the chairman of IBA. The sequences complained of by Tate and Lyle show black workers being interviewed about their conditions and pay on the Illovo Sugar Estate near Durban, the partly owned by Tate and Lyle.

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Balance swings to surplus

THE BALANCE of payments weakness of the dollar, so there figures for the third quarter was a combined capital and current account surplus of £2.5bn.

Table with columns: Balance of Payments, 1976, 1977, 1974 4th qtr., 1st qtr., 2nd qtr., 3rd qtr. Rows include Current account, Visible balance, Invisibles, Current balance, Investment and other capital transactions, Balancing item, BALANCE FOR OFFICIAL FINANCING, Official financing, Net transactions with IMF, Other monetary authorities, Foreign currency borrowing by Government, Exchange with public sector under exchange scheme, Official reserves (drawings on, +/additions to, -) and Eurodollar facility by Government.

There were heavy capital inflows, partly associated with the offset.

Mr. Gregor MacKenzie, Minister of State at the Scottish Office, said that while 150 new jobs was envisaged in the first phase as many as 300 could eventually be employed on the site, which has been planned to allow for future expansion.

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Benn calls for workers' control of mining

MR. ANTHONY WEDGWOOD-BENN returned to his old form yesterday with a call for eventual workers' control in the mining industry.

Mr. Benn said that the idea of worker participation without power was regarded by business men as a way of getting the strength of trade pithead ballot.

Talk of profit-sharing and the disclosure of company information was designed to "diffuse" union influence, he said.

Mr. Benn rejected the argument of those on the Left who said that they would not take part until 100 per cent workers' control and 100 per cent socialism had been created.

What is the point of having a Labour Minister like myself if I am to prolong a system you want to change? he asked. It is better to let areas go.

The Energy Secretary was asked, under central scrutiny by a Transport and General Workers' Union and a common bonus addressing a National Union of Mineworkers forum in Harrogate on the eve of important decisions by the union's national executive.

Rise of 14% in earnings predicted

A RISE in average earnings of 14 per cent, in the present pay round is projected by the Henry Centre for forecasting.

In today's issue of its forecast work forecasts for the UK economy, the Centre says it does not believe that reports of bogus productivity deals and of settlements well above the 10 per cent guideline can justify predicting a more substantial rise.

The Centre maintains there have been settlements within the Government's guidelines and says that fixing of the rate of settlement will not allow local authorities much leeway to curtail substantial awards in the public sector.

The annual rate of increase in prices is expected to decline into single figures early next year and remain at about 9 per cent for the rest of 1978.

Bestobell to open £3m. Scottish plant

RESTOBELL Steam Products, eventually to build this up into part of the Bestobell group, is to open a £3m. manufacturing plant at Livingston New Town.

Mr. Donald Spence, managing director of the parent Bestobell group, said yesterday that the company was now putting more emphasis on manufacturing engineering products in Britain.

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Left-winger wins Cowley poll

A LEFT-WINGER, Mr. Bobby Fryer, has ousted Mr. Reg Parsons, the moderates' choice, as senior shop steward for the Transport and General Workers' Union at Leyland's car assembly plant at Cowley, Oxford.

In the biennial elections Mr. Fryer topped the poll with 1,195 votes, 200 more votes than Mr. Parsons, who took over in 1974.

For 15 years Mr. Fryer was the shop stewards' choice, but three years ago the union decided that the elections should be decided by ballot of the members in the factory.

The elections have embarrassed both Leyland and the TGWU.

Mr. Alan Thornett, the Trotskyist steward, is among the seven men chosen as deputy senior steward. In 1974 Leyland's refusal to recognise him as a deputy senior steward

Mr. Thornett has continued to act as a section steward.

Still ready to talk, say firemen

THE FIRE Brigades Union made clear yesterday that it was prepared to continue talks with local authority employers on a future pay structure for firemen, although it was still stalling firm on the 30 per cent increase demanded by strikers in the current dispute.

Local authority employers are for nearly eight hours to "develop their views on pay in the future" but there was no sign of a new formula which would be acceptable as a basis for settling an end to the strike.

The union said that Mr. Terry Parry, general secretary of the FBU, and Mr. Brian Rushbridge, chief negotiator for the employers, had stayed in touch during the day. The main dialogue would be discussed at an executive council meeting in a computer staff prepared by the firemen's position.

Firemen are still smarting from the decision of the TGWU Finance and General Purposes Committee last week not to support the FBU's appeal for a national campaign against legislation "with the force of legislation" of the Government's 10 per cent pay guidelines.

Aerospace transfer takes place on Jan. 1

THE FINAL TRANSFER to British Aerospace of the assets and businesses of the four aviation companies nationalised in April will take place on January 1.

From that date the names of British Aircraft Corporation, Hawker Siddeley Aviation, Hawker Siddeley Dynamics and Scottish Aviation will effectively disappear, and in their place will be British Aerospace, trading through two large groups—the aircraft group, comprising the civil and military aircraft activities of those four companies, and the dynamics group, responsible for all their guided weapons and space activities.

This reorganisation follows acceptance by Mr. Eric Varley, Secretary for Industry, of the British Aerospace reorganisation plans for the aircraft industry, which has been submitted to the Government.

British Aerospace, whose chairman is Lord Sverdrup, said yesterday that the chairman and chief executive of the Aircraft Group would be Mr. F. W. Page, with Mr. E. G. Rubythorn as his deputy. The managing director of the civil aircraft side of the Aircraft Group will be Mr. J. L. Thorne, with Mr. A. F. Atkin as managing director of military aircraft activities.

Call for only one VAT assessment each year

A CALL for a single annual VAT assessment was made yesterday by Mr. Jan Hildreth, director general of the Institute of Directors.

He argued that the cost to business of complying with quarterly payments, comparable requirements of VAT was "incalculable".

The "unseen cost" of the present collection system, involving a multitude of small calculations for each invoice, was the main reason for a suggestion, made in a letter to the Commissioners of Customs and Excise, that the tax should be assessed once a year.

He described the tax as socially inefficient and one which hit small businesses particularly hard. These difficulties can be distinguished by the viability of small companies.

In place of the present system, he said, there should be quarterly payments, comparable with PAYE, on the basis of provisional estimates of liability. The calculation could be done as part of the corporation tax assessment.

A first step towards this would be the immediate return to a single rate, and as an interim measure of relief to small companies a raising of the threshold from £7,500 to £25,000.

Simpsons puts British beef into Toronto

SAVOY HOTELS has licensed a Canadian company to operate a branch of its subsidiary, Simpsons, in the Strand, in Toronto, Canadian staff will be trained at the London eating house, world renowned for its English foods and particularly its beef, but "some British" staff will supervise the operation scheduled to open in the Spring.

To ensure similar standards Simpsons will be flying over British grass fed beef to Canada—much of North American beef is corn fed and has a different flavour.

Plasterboard buying agreement changed

A FURTHER 40 or so large users of plasterboard will be able to buy their supplies direct from BPB Industries, in future as a result of a review of an undertaking given by the company last year.

Following recommendations by the Monopolies Commission, the company agreed to allow customers to buy direct, rather than go through a builders' merchant, only if they had bought over 100,000 square metres of plasterboard in the previous year.

This minimum purchasing requirement is now being reduced to 30,000 square metres.

Announcing this yesterday, Mr. John Fraser, Minister of State for Prices, said that progress had been made towards implementing the Commission's other two recommendations: uniform delivered prices and the terms on which customers can collect plasterboard from the works.

Print unions again urge return at Darlington

PRINTING UNIONS have made a further plea to leaders of the National Union of Journalists for a return to work in Darlington, where 107 journalists on paper owned by the minister Press group have been on strike for about six months.

However, yesterday's call by Mr. Joe Wood, general secretary of the National Graphical Association, for an early compromise in the closed shop dispute in Darlington came amid accusations by journalists that the NGA had "reversed" on a previous undertaking to maintain support for the strike.

At a meeting of the TUC printing industries committee, Mr. Wade reiterated his view that there should be an end to the strike so that joint discussions could be pursued or how to tackle the closed shop issue on a centralised basis.

Derbyshire union ruling

DERBYSHIRE County Council's manual workers are to have to explain their reasons for wanting to leave trade unions.

The Conservative-controlled council scrapped a closed shop agreement earlier this year, but under their new policy, although North of England Newspapers publications and announced, workers will have to explain to council plans for a meeting with the group's union chapel representatives to-morrow to discuss future action.

Briefing for steel strikers

Striking workers, numbering about 1,000, at British Steel's Sianston and Staveley plant at Ilkley, Derbyshire, have been invited to meet a senior salesman and hear how orders are being handled.

Prior warning on State jobs monopoly

MR. JAMES PRIOR, Shadow spokesman on employment, gave a warning yesterday against the creation of a state monopoly in the employment and personnel field.

He told managers of private employment agencies, at a conference of the Federation of Personnel Services in London, that such a monopoly was a "pre-requisite for a full, planned and centrally-controlled Socialist economy".

The only growth under the present Government had been of a bureaucracy, red tape and tax collection, he said.

Woolworth sells Woolco branch to the Co-op in Lancashire

F. W. WOOLWORTH has sold one of its 14 Woolco department stores to the Co-op, together with a freehold site with planning permission to build another 90,000 square foot store. At least one other Woolco is also believed to be for sale.

The Greater Lancashire Co-operative Society is to take over the 102,000 square foot Woolco store in Kirkby and re-open it as a Co-op superstore. It will also develop the Blackpool site which the Co-op has bought from Woolworth.

The first Woolco was opened about 10 years ago when Woolworth claimed to be the pioneer of "one-stop shopping" in this country with this new kind of department store. All the 13 other Woolco stores, since opened, are over 100,000 square feet in size and stock a very wide range of goods.

Losing money Mr. S. J. Owen, chairman of Woolworth said in his annual report for last year that while some of the Woolco branches were highly profitable, the division as a whole was not getting an adequate return on capital. He said the company was examining the merchandising philosophy in "one or two problem stores" and that the buying organisation for Woolco was being integrated within Woolworth.

The company said yesterday that it would continue developing new Woolco stores but that the two sites sold to the Co-op did not fit in with its plans. The store at Kirkby, which was opened about two years ago, was losing money, the company said, while it did not think it would be able to make the necessary return on capital on the Blackpool site.

Recently, Woolworth opened a Woolco store near Belfast which was more like the kind of hypermarket operated by the big supermarket groups than the traditional Woolco.

Just in case

able offer

Still rea to talk, say fire

Banks unit takes pay case to AC

Briefing for steel strike

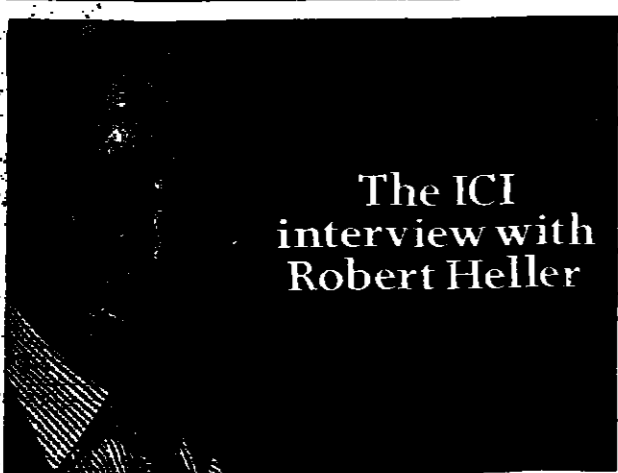
is monop



Judith Mills (23), Sales Representative. After 2 years, already handling sales worth £12 million.

'You are thrown in at the deep end with no restrictions really, the opportunities are marvellous.'

Judith Mills, ICI Sales Representative



The ICI interview with Robert Heller

The vision of industry in the minds of many young people still owes much to Blake's 'dark satanic mills'. How fair an assessment is this? Every year ICI recruits around two hundred graduates. In this interview, Robert Heller, Editor of 'Management Today' talks to three working at ICI Mond Division in Cheshire - Judith Mills (23), Sales Representative, Brian Slaney (26), an Engineer, and Max White (27), a Personnel Officer. How have their ideas of industry in general, and ICI in particular, changed?

Heller: Max, was there any hostility towards profitable concerns like ICI in your fraternity?
White: Yes... a high degree - which I also shared. The academic world deals in theory, so assumptions are made which you later find are not reflected in reality. There's little appreciation of how managers do their jobs or that they have to balance human interests with commercial reality.
Heller: What persuaded you, despite your initial hostility, to join ICI?
White: I was fascinated by industrial relations. I wanted to find out what really happened. I'd assumed industrial relations were about confrontation. When I arrived I found confrontation formed only a very tiny part of it.

Heller: Do you all feel your work at ICI is useful to the nation?
Slaney: The public probably see things like the social services as being more directly useful. They fail to realise that it's companies like ICI, contributing through taxes and so on, that make these services possible.
Mills: One of the major things is the employment we create... that people are better off. I think if we had more of an ICI set-up throughout the country - more profitable firms - we'd all be better off.
Heller: How important is the profit motive in industry?
White: We're a capital intensive industry and we've got to make a profit to keep pace with the need to build new plants - which will help us to get our share of world markets.

Slaney: It's essential if British industry is to go ahead. I have shop floor meetings where we share information about what we are doing. In one product area where we've had problems, the first question the foreman gets asked is "How much did we make yesterday?" This is a step in the right direction as far as I can see.
Heller: And what do you all get out of it?
Slaney: I've found myself doing the sort of jobs now that I once thought I wouldn't be allowed to tackle for another 10 years. After only 5 years here, I've got 60 people working for me and a budget of £4 million.
Heller: Max, you're a social scientist and personnel specialist. Have you found much scope for initiative at ICI?
White: Yes. When I first arrived I was given the go

ahead to introduce a psychological testing scheme of mine, in certain areas. That was my initiative and the company welcomed it. Their willingness to consider new ideas is very heartening.



Brian Slaney: "I handle jobs I thought I wouldn't be allowed to tackle for 10 years."

Heller: So joining such a large organisation hasn't robbed you of your individuality...
White: In a company as large as this there's plenty of space - space for the individual to develop.
Mills: I've found there are no restrictions really or orders from above - the opportunities are marvellous. After 2 years I'm responsible for handling sales worth £12 million to our customers in the Manchester area.
Heller: Can a big company be competitive - has ICI a sharp enough cutting edge?
Mills: Yes, I think it has. We do well. We create wealth as a company and lots of people benefit. This wouldn't happen if we weren't sharp and better at our job than the opposition.



"How important is the profit motive in industry?" asks Robert Heller. From l. to r.: Brian Slaney, Heller, Judith Mills, Max White.

Ideas in action 

PARLIAMENT and POLITICS

Another year . . . 'not much difference'

Callaghan gives strong hint of EEC elections delay

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A STRONG hint that the Government now believes there is little chance of Britain meeting the May-June target date for direct elections to the European Parliament was given in the Commons yesterday by the Prime Minister on his return from the European summit in Brussels.

The event, said Mr. Callaghan, the French would not wish to proceed without us and the elections throughout the Community would have to be postponed until 1978.

The Prime Minister later qualified this by confirming that MPs will have an opportunity in the Commons next week to decide whether proportional representation or the simple majority system is to be adopted for direct elections. That, he said, would be the crucial factor in deciding the date.

But the frankly pessimistic tone of his following remarks gave MPs the strongest indication so far that the Government does not envisage polling taking place by next summer.

He told the House: "France, in particular, would not want to go ahead, unless we were there also. I think the consequences will be that the elections—if we cannot meet the date—will be postponed until 1978. I repeat again, that will not be the end of the world."



Mrs. Thatcher accused the Prime Minister of trying to gloss over the issue.

Mr. Callaghan reminded MPs that the Six had waited for many years before Britain joined the Community, and it was now 20 years since the Community had

To jubilate cries of assent from anti-marketiers, he went on: "It is important that we should carry out these procedures properly. There is no great enthusiasm for European elections in any part of the House."

"What we have to ensure is that the matter is properly carried through so that no one can complain at the end of the day that the decision was wrongly made."

Mrs. Margaret Thatcher, Leader of the Opposition, accused the Prime Minister of trying to gloss over the issue of a single phrase in his statement. She pointed out that no time has been allowed this week in the Commons for further discussion of the European Assembly Elections Bill.

The difference between the parties was illustrated by the fact that only 132 Labour MPs voted for direct elections, while 239 Conservatives were in favour.

In reply, Mr. Callaghan complained that he was constantly attempting to saddle the Government with responsibility for the delay. Cheerfully, he told her: "I am not denying it. I don't see why you have to push it so hard."

It was essential to get a clear verdict on the way Britain would conduct the elections, and he promised his Tory critics that they would be able to "prove their virility" before Christmas by voting on the method of election to be adopted.

Mr. David Steel, Liberal leader, asked him to repudiate or confirm Press reports that he had abandoned any prospect of meeting the target date.

Mr. Callaghan declined to do so. He added that it would be interesting to see the result of next week's vote on the method of election as that would decide the date on which elections could be held.

Mr. David Crouch (C. Canterbury) accused Mr. Callaghan of dragging his feet on the issue. But the Prime Minister replied bluntly: "I have been great difficulties in this country and in the Government party. Everyone understands that."

"I have the responsibility of trying to ensure that we keep our obligations to Europe and to the rest of the world," he said. "In the process, I don't divide my own party and allow the Opposition in. That is a perfectly understandable position."

Turning to the anti-marketiers on his own benches, he told them that they now had to allow the Government to reach a conclusion on these matters. "I have given a lot and my honourable friends have to give something, too."

Tory warns on 'stoking up English backlash'

By Ivor Owen, Parliamentary Staff

A NOTABLE speech by Mr. David Crouch (C. Canterbury) warning of the dangers in stoking up an "English backlash" to the Government's devolution proposals dominated the resumed debate on the committee stage of the Scotland Bill in the Commons yesterday.

He expressed concern about the effect in the English regions of which he described as the "almost frightened voices" of those MPs who were reluctant to agree to almost any level of decision-making being transferred to the proposed Scottish Assembly.

"I do not want people outside to feel that there is a growing backlash here which they ought to be taking up themselves," he declared Mr. Crouch.

A succession of earlier speeches from the Conservative benches had dwelt on the possibility of powers in the Bill, designed to bring U.K. law into line with some aspects of legislation passed by the Scottish Assembly, being used to extend the assembly's powers to England.

Underlining the fact that he was in favour of a measure of homely rule in Scotland, Mr. Crouch said it would be wrong to restrict the role of the assembly so that it became no more than a "window display" in Edinburgh.

At the same time, the English people should not be encouraged to think that Parliament was giving power to Scotland which would have the effect of enabling the Scots to break into England and upset the established pattern of life.

Mr. John Smith, Privy Council Office, said of State, praised Mr. Crouch's speech and hoped it would be widely noticed outside the House.

It does indicate that there are perceptive people in the Conservative Party who understand what the whole devolution argument is about," he said.

The Minister explained that the power to bring U.K. law into line with legislation passed by the Scottish Assembly, through the use of Orders in Council, would only be used for making minor consequential changes—such as changes from the North Sea to the names of institutions—relating to devolved matters.

He dismissed the examples of possible abuse of the power cited by Tory MPs as "far-fetched and politically unrealistic."

Mr. Leon Brittan, a Conservative front bench spokesman on devolution, still maintained that the use of the Orders in Council procedure, which denied Parliament any opportunity of making amendments, involved constitutional dangers.

He insisted that changes made in U.K. law to bring it into line with legislation passed by the Scottish Assembly should be accomplished by a primary Act of the U.K. Parliament.

Crown Agents chairman talks to Financial Times

Cuckney backs MPs' call for public inquiry

BY MARGARET REID

MR. JOHN CUCKNEY, who became chairman of the Crown Agents after the £200m. loss on secondary banking and property, has made it clear that he favours the wider public inquiry into the disaster which is being considered by the Cabinet.

He originally asked for an inquiry in March, 1975. Mr. Cuckney, who, for the past three years, has directed the shake-up at the Agents and their progressive disengagement from the loss-making areas, told the Financial Times last night:

"One of my reasons for seeking this was that I thought, for the long-term future of the Crown Agents, there must be no suspicion of whitewash or cover-up and that the Crown Agents needed a sound and clean foundation for the future."

Referring to the report published last week of the Fay Committee, which was appointed in April, 1975, and whose revelations have caused widespread shock, Mr. Cuckney added: "As Fay obviously hasn't satisfied everyone, then I would

support any development which leads to a final wiping clean of the slate."

He emphasised that it would not matter how long a further probe into the 1967-74 affair took, so long as it achieved this objective.

On Monday, the Commons defeated the Government by effectively calling for a new public inquiry into the Agents' losses, instead of the private investigation to apportion any blame, proposed by Mrs. Judith Hart, Overseas Development Minister.

Mr. Cuckney revealed that there had been no adverse effects on the Agents' present business from last week's publication of the business is thriving and our Principals (overseas Governments and other clients) are seeing the whole affair as a post-mortem into what happened some years ago. It has not affected our current business at all."

It was confirmed yesterday

that Mr. Peter Sly, the former property investment manager, is now employed by the Epsom property investment company—Starwest Investments—of which Mr. Sly is mentioned in the Fay report.

This has prompted calls by MPs for a further inquiry following the attention on the fact that Alan Challis, the Agents' former finance director, who is severely criticised in the report, is now a shareholder and executive of United Merchant Securities.

The three other shareholders in this concern, described in the Fay report, are: Jack Walker and Mr. James Greene. Losses of £100m. incurred by the Agents' English and Continental group of companies in which Mr. Challis participated with Mr. Walker and to which he lent heavily.

Polish ships debate refused

A TORY MP's call for an agency debate on reports that Polish ships deal could cost taxpayers £85m, was rejected by the Speaker, Mr. George Thomas in the Commons yesterday.

Mr. Nicholas Ridley (Conservative) and Tewkesbury called for an immediate statement from Ministers on the arrangements for the deal. Pointing to the "extremely advantageous nature" of the contract, Ridley told MPs: "It makes recent scandal in relation to Crown Agents seem like vicarious tea party."

He argued that the deal should be given by the Government, which, he said, was trying to disclose them "in their protestations that believes in open government."

In answer to a written question last night, Robert Stoddart, Secretary of the Treasury, said the Bank of England had its approval under the Exchange Control Act to the investment by British Shipbuilders in a joint company which was set up in Poland to lease completed ships.

In another answer, Mr. George Kinnear, Minister of State Industry, said that the company consisting of British Shipbuilders and Polska Zaglodowa (PZM), was formally constituted immediately before the building contracts were finalised.

The share capital would be paid in equal parts by British Shipbuilders and PZM. The controlling Board of the venture would be made up of a president and a member nominated by British Shipbuilders while PZM would nominate managing director and one member. Directors' salaries had been determined.

NEC team criticises homes plan

By Michael Cassell, Building Correspondent

GOVERNMENT proposals to let first-time house buyers are likely to have any impact according to a Labour Party document released yesterday.

The document was prepared by the housing sub-committee of party's National Executive Committee in response to the Green Paper on housing policy, published in June.

It says that while the proposals accept the objective of helping people acquiring their own homes, current proposals do not include a savings bonus and loan plan, will not have any effect.

The schemes, it points out, will be financed by savings in the public sector rather than by redistribution of existing public sector resources.

The sub-committee says that the Green Paper fails to apply the principle of a fairer and more effective use of public sector resources also rejects any reform of mortgage tax relief.

Tax relief, the party document adds, should be replaced by universal mortgage relief equivalent to basic rate and relief and the eligibility lowered from £25,000 to £10,000 closer to average house prices in various regions.

The Green Paper, it claims, is biased towards home ownership and fails to make a positive defence of the public sector to apply consistent standards to the two sectors, particularly in the case of subsidised housing.

The document endorses the Government's broad objectives, but argues that the present level of investment is inadequate.

It supports moves to stimulate housing improvement, work also welcomes the Government's commitment to security of tenure in the private rented sector.

Thatcher lists priorities

BY RICHARD EVANS, LOBBY EDITOR

A CLEAR indication of some of the economic and industrial priorities that the Conservatives would adopt on gaining office were outlined by Mrs. Margaret Thatcher yesterday when she met the Small Firms Council of the CBI.

First, absolute priority would be given by a Tory Government to substantial reductions in direct taxation in order to restore incentives throughout industry.

In Mrs. Thatcher's opinion, unless a "bold move" was made to cut income tax there would be little chance of halting Britain's relative industrial decline let alone closing the gap with our major competitors.

Second, no attempt would be made to reintroduce an Industrial Relations Act. Instead, the Tories would work with the support of public opinion to develop their policies towards the trade unions.

The Conservative leader believed that there were already significant signs that public

opinion was beginning to appreciate the necessity for restraint and the need for unions to act in the national interest.

She urged her audience not to support any proposal for permanent pay codes as in that direction lay collectivism. "A fair code does not exist. . . . Go for the way of a free market economy," she declared.

Third, the powers of the National Enterprise Board would be "substantially reduced," although it would not be feasible to abolish the Board immediately because of the growing number of commitments and shares it was acquiring.

Fourth, while standing by her commitment to repeal the Capital Transfer Tax, Mrs. Thatcher emphasised that this could not be done quickly. As an interim measure, early steps would be taken to reduce the burden of the tax to ensure that small businesses were not damaged or broken up. In addition, the threshold when the tax operated

was far too low and would have to be raised.

Mrs. Thatcher disclosed that the party was studying three schemes for reforming Capital Transfer Tax.

The Conservative leader's theme in her short speech to the monthly council meeting was that political freedom could not be safeguarded unless there was economic freedom. In her view, there was now a growing need to curtail State intervention throughout society.

She warned the 40 members of the council not to be misled by the belated change of attitude to small businesses now being displayed by the Government. The only reason why action was now being promised was because of the immense damage that had been inflicted over the last three years.

There was still a fundamental difference of approach between the Conservative and Labour parties to small businesses and to industry and society in general.

This announcement appears as a matter of record only, October 1977.



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Ulster talks warning

By Our Belfast Correspondent

OFFICIALS in the Northern Ireland Office are in constant talks with the political parties, despite a warning from the largest group, the Official Unionists, that there is little hope of agreement on a form of interim devolution.

Mr. Harry West, the Official Unionist leader, said after a two-hour meeting at Stormont, that there was no real basis for progress.

"We will oppose any rigged administration which the Government tries to impose on us," he said.

Mr. Airey Neave, Opposition spokesman on Ulster, said during a visit to the Province yesterday that the Government would have to "let us speak by interim devolution if the discussions were not to break down."

The present series of exploratory meetings follows talks between the parties and Mr. Mason, Ulster Secretary. He hopes the politicians might begin discussions between themselves in the New Year.

However, the attitude of the Unionists is being seen as a major snag. Mr. West said that any system of administration which did not follow British-style Parliamentary democracy would be unacceptable.

Telephone calls at Christmas to be cheaper

ALL INLAND telephone calls and many directly-dialled overseas calls will be charged the cheap rate on Christmas Day and New Year Day.

The cheap rate for inland calls will operate from 6 p.m. on December 23 to 8 a.m. on Boxing Day in Scotland, and for a further 24 hours in the rest of the U.K.

At New Year, it will run from 6 p.m. on December 30, to 8 a.m. on January 2.

Cheap directly-dialled international calls will be from 8 p.m. on December 23 to 6 a.m. on Boxing Day in Scotland, and a further 24 hours elsewhere.

Bookings for international calls that cannot be dialled direct can be placed between 8.30 a.m. December 19 and 5.30 p.m. each day to December 22, and from 8.30 a.m. to 2 p.m. on December 23.

MPs confirm dismissal of Scottish sheriff

THE COMMONS confirmed early yesterday the decision of Mr. Bruce Millan, Scottish Secretary, to dismiss a Scottish sheriff.

Voting was 170 to 52 at the end of a debate which had started only an hour before an Order implementing the sacking of Sheriff Peter Thomson was due to come into effect.

The Order was made after senior Scottish judges had investigated publication of a pamphlet entitled "Scottish Plebiscite—Report" by Sheriff Thomson.

Mr. Dennis Canavan (Lab., Striving W.), who led a move to stop the dismissal, argued that the pamphlet only called for the people of Scotland to be given a chance to express their opinion about any constitutional change.

Mr. Millan, in his reply, said that the question of holding a plebiscite on Scottish home rule was clearly calculated to arouse political controversy.

Mr. Thomson had not confined himself to engaging in this as a private citizen but had used his judicial title. He had appeared in his wig and gown in an advertisement in a Scottish newspaper, the Secretary of State added.

Mr. Millan said that when judges had conducted an inquiry into Sheriff Thomson's activities, he had been given the fullest opportunity to make submissions in writing and to appear before the judges personally or through counsel.

Mr. Millan added: "No injustice has been done to Sheriff Thomson by the decision not to

disaster for Labour.

Mr. Heffer and other Left-wingers, however, tend to the view that some European Communist parties have set sufficient ground between them and Moscow for it to be worthwhile examining whether to forge a united Socialist front.

The committee also effectively cleared Mr. Alex Kitson of excessive enthusiasm for the Socialist union during his visit to Russia last month when it accepted that controversial remarks attributed to him by the British Press had been misrepresented.

Yesterday's verdict signifies the desire of Labour leaders to let the dust settle on an affair that has polarised Left-wing and moderate opinions, and which, if spun out, could cause still greater embarrassment.

Mr. Michael Foot, the party's deputy leader, criticised Mr. Kitson—like him, a member of the International Committee—for declaring in Moscow that his trip was a "landmark in the relationship between our two parties."

But Mr. Foot emphasised that he "wasn't going to make a song and dance about it."

MPs confirm dismissal of Scottish sheriff

allow him to appear at the Bar of the House to answer questions.

Amid frequent interruptions, he went on: "Sheriff Thomson could have put forward to the judges the arguments in support of his conduct, but that he did not choose to do."

Mr. Robin Maxwell-Hyslop (C. Tiverton) said it was "truly scandalous" that the Leader of the House (Mr. Foot) had not let Mr. Foot decide whether or not Sheriff Thomson should go before the Bar of the House.

"There is no precedent of which I am aware for a Leader of the House refusing to allow the House of Commons to take this decision for itself," he declared.

Safety neglect may cost £50

DETAILS of the "belt up" order to Ulster motorists were announced in Belfast yesterday. The proposed new law will make it compulsory for driver and front-seat passenger to wear safety belts, and recommends a maximum £50 fine for failure to do so.

Announcing details of the draft Order, Mr. Ray Carter, Parliamentary Under Secretary, said: "Northern Ireland has a compelling and serious road casualty problem. I am convinced compulsory seat-belt wearing offers the best and most immediate prospect of an improvement."

Mr. Carter said that the Order would be made available to the public in the next few days. He said that the Order would be made available to the public in the next few days.

Self-insure

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

PROCESSING Quick mix of metals

MAKING UP a specification for new steel alloy melt from a whole series of scrap types is an exacting task and one which can take up a great deal of time while being full of possible pitfalls.

Drawing on skills which have established methods of handling very large numbers of variables and obtaining results at very high speed, development by Seicon at Milton Keynes will allow this linear programming expertise to be tapped by senior operators at two stainless steel plants in the British Steel Corporation complex.

The result is the British Steel LCTM, which describes an array of five terminal units working over leased telephone lines to Milton Keynes from the Panteg works in South Wales and the SHACC project at Tinsley Park, Sheffield, which is a brand new plant.

The variables handled in this case are the analyses of the very large range of alloys the plants can be called upon to produce, with the percentage contents of the important ingredients, as well as those impurities which must not be allowed to exceed certain levels, together with high and low for each major constituent for a particular formulation.

They also include the contents of the scrap stockyard with the analyses of their make-up and the prices of these and for the finished products.

Using one of the Hewlett-Packard terminals that Seicon is installing as part of its turnkey contract, an operator at Panteg will be able to ask the system at Milton Keynes a whole series of questions, getting the answers to the most complex in less than a second.

Basic information will be kept up to date on the exact quantities of scrap in the yards at any time and from this the programs will derive, on demand, the best mixtures of raw materials to use to obtain steels of specified qualities.

Seicon linear programming techniques are also used to provide valuable guidance on how much scrap material offered to a works is actually worth in regard to what may be urgently needed for a given melt and, by the same token, provide advice on what the works should be buying for its long-term requirements.

At Panteg, a small additional program can be called on to allow operatives quickly to bring an out-of-specification steel back within the required parameters, by the addition of further raw materials.

Terminals at the works provide hard copy and cassette storage of data.

Although BSC has extensive computing facilities of its own, the decision to go on line to Seicon was taken in recognition of the latter's Seicon development, but also because of the very high level of integrity its services have reached since the move from London to Milton Keynes. The two large Univac 1108 machines now have far less downtime than at any period in the ten years or so they have been in operation.

Very extensive power back-up facilities which to-day would cost well over £1m, ensure that any grid power feed faults do not interfere with processing since the load can immediately be switched over to batteries, giving time for the diesels to start up and take over the task.

Versatility of the centre has also been recognised by the recent running of a 36-hour job analysing a structural component for a helicopter in which the finite element system had 10,000 degrees of freedom. Processor time was 20 hours and there can be few centres in the U.K. able to run such a demanding task without serious problems.

The Seicon solution to the British Steel problem obviously has potential uses in any other industry where large amounts of complex substances have to be mixed and processed against very tight specifications which carry serious penalties for end-products which are out of line.

Seicon Computer Services, Brick Close, Kils Farm Estate, Milton Keynes, MK11 3EL, Milton Keynes, 566656.

COMPONENTS Air cylinder advance

A COMPANY specialising in the design of pneumatically operated machines for filling cans and other types of container with difficult-to-handle products says it has developed an air cylinder in which the length of piston stroke is controlled more precisely than has hitherto been thought possible.

Control is very important in pneumatic filling systems because it has an effect on the exactness of the amount of product filled into each container. Victor Page and Co. has been working for some time in this area of packaging and especially on improving air cylinders used in its own filling machinery as it has been encountering problems with conventional types operating in conjunction with external mechanical pilot valves.

The company has now devised an air cylinder with built-in trip valves which ensure a clean exterior line for the cylinder and also a sharp completion stroke. There is also a rear internal valve which incorporates an adjustable stop and may be adjusted while the air cylinder is in use.

The company says it has supplied the first units fitted with cylinders of this type to Birds Eye Foods at Eastbourne, Sussex, and is now looking for companies which could use the standard cylinders.

More information about the cylinders may be obtained from Victor Page and Co. at Quarry Road, Newhaven, Sussex, BN9 8DE (Newhaven 4301).

ELECTRONICS Aids circuit layout

A LOCATION system for wire work for use in the vertical position. The location sight is used not only to locate the wire wrapping tool in the correct position but also to feed the wire from one terminal to the next. On the other side the operator selects the point to be wired on the diagram, which has previously been mounted on and aligned with the master template; the latter has holes on a 0.2 x 0.3 inch grid. The index pin is inserted through the diagram into the relevant hole in the template and the terminal

work for use in the vertical position. The location sight is used not only to locate the wire wrapping tool in the correct position but also to feed the wire from one terminal to the next. On the other side the operator selects the point to be wired on the diagram, which has previously been mounted on and aligned with the master template; the latter has holes on a 0.2 x 0.3 inch grid. The index pin is inserted through the diagram into the relevant hole in the template and the terminal

OFFICE EQUIPMENT Compact fiche projector

A NEW company called Microfilm Communications International has been set up at Milton Keynes to make and market a compact microfiche projector called the "Fichette".

The unit is contained in a 250 x 205 x 75 mm. briefcase in which an internal leaf hinges back on to the inside of the lid to form a screen while the projector unit is erected in the open case itself to illuminate the screen. Alternatively the 82 x 110 x 150 mm. projector can be used independently and can produce a useable image at 20 feet or so in low ambient lighting.

Fichette will project flat fiche mounted in a holder that allows easy location of a frame by "xy" click-stop motion. In addition, however, the unit will deal with uncut fiche in roll form using a cassette. It is accommodated on the eight linear feet of 105 m. film. Horizontal movement of the film is by winding knobs, while movement in the other direction is by a click-stop up and down movement of the whole cassette.

U.K. distribution is by Microcort, Merit House, Edgware Road, London, N.W.9 (01-832 7527).

COMMUNICATIONS Improving telephone services

IT IS anyone's guess how long it will take for the U.K. to follow the U.S. in a move which could improve that country's telephone systems out of all recognition.

The move is the ordering, just disclosed by Teradyne, of the latter's 4-TEL subscriber line test equipment by operating units of GTE and United Telecommunications. Three systems have been placed so far, described as equipment which now allows the companies supplying the phone service to rectify faults as they occur and not to have to wait till the subscriber complains.

GTE has approved 4-TEL as meeting its technical and operational requirements for effective repair administration, while United Telecommunications has given it interim approval as standard.

Background to the development is a decision by Teradyne in 1972 to go for the line-test system and, since then, it has spent some \$1m. annually in work on the equipment and test methods, drawing heavily on the experience it has gained in the manufacture and installation of some 2,000 units for the automated testing of complex integrated circuits and circuit boards.

Russell Ashdown, an ex-Starwell, Englishman, is in charge of the work. What the equipment actually does, put in the simplest terms, is to dial during the night hours a whole series of numbers, running various diagnostic tests on each line as it comes up. This allows the test system to find existing faults and also discover any indications that a problem may be in the offing.

Automatically, a print-out is provided for all fault and potential fault conditions and the telephone companies could easily have maintenance staff on hand at the affected homes or offices before subscribers were aware that there was a problem.

Why the system is likely to prove attractive to the suppliers of the telephone service lies in the way in which repair costs have been escalating. At something between \$30 and \$50 per line per year they are proving a heavy burden and one which preventive maintenance made possible by the diagnostic service is expected greatly to reduce, though it is still early days to venture a figure.

It is clear that precise identification of a fault and the immediate despatch of the right person to carry out the work will spell a great saving in time and costs.

Cost of installing Teradyne and computing equipment from Porta Systems run from \$2 up to \$10 per line, with the former at the top of the range. To date, something of the order of \$50,000 lines (out of the U.S. total of 100m.) have been hooked into one vetting system or another.

More from Teradyne at Clive House, Queen's Road, Weybridge, Surrey KT13 5XB. Weybridge 51431.

HANDLING Fills bags fast

ONE MAN can fill 200 50kg bags/hr, with granular material by means of a simple device made by Dell Engineering.

For filling 25 lb. bags upwards, the unit has a large hopper, 10ft. x 7 ft. square, which holds the material. The hopper feeds a 24 inch wide belt driven by a 1 hp electric motor. The belt drops the material into a feed box which has a bottom door controlled by a hand wheel driving a rack and pinion.

Scales fitted to the base of the unit are pre-set, and automatically stop the feed belt when the bag reaches the pre-set weight. The unit can be fitted with a vibrator if required. A heat sealer, sack stitchee and wire ties are also available.

Marketing is by Portsmouth Engineering and Marine Sales, 69 Hill Road, Portchester, Hants (07018 77030).

Lifting and shifting on the farm

LATEST ATTACHMENTS for Sanderson rough terrain forklift trucks are a Kombi push-off power fork grapple and a rotator with fold-away side and top arms.

The push-off fork is 8 feet wide and has a capacity of 5,000 lbs. (about three times as much as a conventional tractor front-end loader). Equipped with a five-prong grapple, it can be used for heaping up manure in the field, or fitted to a 16-foot three-stage mast, removing muck from low buildings. It can also be used for bulk loading silage into a pit or clamp, or stacking big round bales on end.

Distance between the tines and the grapple points is 84 inches. The tines are 42 inches long and the gate stroke is 38 inches. A scraper plate is fitted to clean the tines.

The rotator has a capacity of 3,400 lbs. and can be turned through 180 degrees. It can handle boxes, 4, 5 and 6 feet 50 mm can be measured and are wide, on or off pallets, with a maximum height of 40 inches. With the side and top arms folded it can be used as a high capacity conventional forklift.

Details from Sanderson (Forklifts), Croft, Skegness, Lincs., Slough, Berks SL1 4QZ (Slough 32711).

INSTRUMENTS Accurate Densimeter

MEASUREMENT of density within the very high precision of plus or minus 1.5 millionths of a gram per cubic centimetre is possible with a digital densimeter, the control unit for which is remotely sited to 300 feet away.

A measuring oscillator cell is provided, made of borosilicate glass, and two of these cells can be linked to the control electronics simultaneously with a third serving as a reference unit.

A built-in crystal oscillator has a drift of less than two parts in 100m. per day.

Equipped with external cell, automatic sample changer and a printer, the DMA60 provides a complete system for the determination of density to unprecedented accuracies.

Stanton Redcroft, Copper Mill Lane, London SW17 0BN. 01-948 7731.

Easy check on sheet

A SMALL thickness gauge for use with non-magnetic sheet material has been introduced by F.G. Industries (U.K.) of Slough.

Easy to use, it is expected to find application in the plastic, boat-building, glass manufacture and general engineering industries where non-magnetic materials are manufactured or fabricated.

CAMFLEX II in control

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**TRANSPORT
Heavy duty trailers**

KNOWN AS the Quad-90, a four-axle semi-trailer has been developed which can take a 70-tonne payload at 60 kph, or 88 tonnes at 20 kph. An additional twin-axle dolly can be fitted at the front, to give a six-axle draw trailer capable of carrying 100 tonnes at 10 kph.

It can be supplied with its two foremost axles in the form of a removable twin-axle dolly, allowing tyres to be conserved if lighter loads are carried. Braking response times and the lighting system complies with EEC regulations.

The chassis, of fabricated main beams and tapered pressed cantilever outriggers, is said to give a high carrying capacity with minimum tare weight. Channel section on the sides accepts standard twist locks for ISO containers.

More from Trailer Systems, 17 Shirley Street, Newham, London E16 1RU (01-474 2211).

New issue December 8, 1977

All these bonds having been sold this announcement appears as a matter of record only.

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NRDC Finance for innovation

Not how you did, but where you went

BY MICHAEL DIXON

MORE and more, the possession of a degree is exerting a decisive influence over whether or not a candidate gets a good job. Indeed, given the evidence that unemployment is being exported from the more to the less "qualified" ranks.

The columns of percentage figures show the distribution of the different classes of honours awards in each of the 45 U.K. institutions. These 1975 percentage figures are cumulative from left to right, so that "upper second or better" includes the first-class degrees as well, and so on.

Because of the "good honours" salary determinant in teaching and some other occupations, I have ranked the universities in increasing order of generosity according to the proportion of their bachelor-level graduate output awarded a lower second-class honours degree or better.

To qualify for the extra salary in the English and Welsh schools, a 1975 graduate from Cambridge could apparently have put up a worse performance in the final examinations than nine out of every 10 of the other students at the same university. A graduate coming south of the Border from Glasgow would have had to secure a place in about the top third of that institution's final-year students to gain the additional pay.

The rankings of the Scottish universities in general may at first glance seem to confirm the old saw about Scots being parsimonious. But the fact that fewer honours degrees of any kind are awarded north of the Border, is explained mainly by an important difference in the system there.

To take an honours degree at a Scottish university usually requires four years of study, and large numbers of students do not attempt it. Instead they take the Scots three-year ordinary degree, which is more esteemed as an academic qualification than its counterpart in England and Wales, where even honours degrees normally require only three years of study.

Another factor which probably helps to explain a relative sparseness of honours degrees at Glasgow, Aberdeen, Dundee and Edinburgh in particular is that these universities have prominent medical schools, and such schools tend to award only an ordinary degree at bachelor level to the large majority of their students. The same may well apply to Queen's Belfast, Liverpool, London, Leeds, Newcastle, Manchester, Bristol and Birmingham.

Where the differences from place to place in the award of first-class honours degrees are concerned, another factor seems to come into play. It is that firsts are distinctly more likely to be awarded to graduates in sciences and engineering and technology, than to those in other groups of subjects.

Taking the awards by the U.K. universities as a whole in 1975, the percentages of firsts among the different subject groups were as follows: sciences 10.8 per cent; engineering and technology 9.8 per cent; languages, literature and area studies 6.3; agriculture, forestry and veterinary science 4.3; arts 3.9; architecture and other professional and vocational subjects 3.5; social, administrative and business studies 3.5; and education 1.8.

firsts awarded by Cambridge, and the mere 10.6 per cent awarded by Oxford. This wide gap between the two has been a feature of the statistics for several years, and one is tempted to think that it arises mainly from Cambridge's having a greater bias towards the sciences side. But in 1975 the proportion of scientists, engineers and technologists among Cambridge's graduate-level output was 29.8 per cent, slightly lower than Oxford's 30.5 per cent.

The gap between the two major universities also refutes the idea that the variances in degree-class awards can be satisfactorily explained by differences in the quality of their students. I can accept that Cambridge students may be more academically able than those at Oxford, but not that they are sufficiently superior to justify the near 7 per cent gap in first-class degrees.

Moreover, while Cambridge, as possibly the hardest university to get into, might be justified in being very generous with honours, Keble which is reputed to be the easiest to get into can hardly be justified in being more generous still. So the conclusion must surely be that the level of academic attainment required to gain a given class of degree varies, not only with subject studied, but with institution attended. Degree awards, in short, are not between the 17.5 per cent of national standards at all.

The Honours Degree Stakes - 1975

University	Number of graduates	First class %	Upper second or better %	Lower second or better %	Lower third or better % (1974)	Honours degree of some kind %
Glasgow	1,892	4.7	16.1	32.5	34.1	38.2
Striving	472	4.2	17.4	37.1	44.7	39.0
Aberdeen	946	3.6	19.3	41.3	48.9	43.0
Strathclyde	1,535	4.8	21.5	41.6	47.4	50.2
Dundee	538	1.7	18.4	42.8	46.7	47.9
Edinburgh	2,050	5.3	27.2	44.8	49.2	47.6
Queen's Belfast	1,165	3.8	22.9	44.4	51.2	53.7
Heriot-Watt	493	6.3	16.8	34.1	54.4	66.1
University of Manchester						
Institute of Science and Technology	459	9.7	34.3	54.3	64.8	78.4
Salford	772	5.7	30.8	50.8	61.4	78.4
Liverpool	1,753	4.7	29.4	50.4	60.9	73.1
St Andrews	580	9.5	30.3	42.1	63.4	69.3
London	4,722	8.4	33.1	53.6	61.4	76.6
Leeds	1,831	4.2	24.3	43.9	56.5	79.6
Newcastle	1,028	4.9	26.5	47.1	66.7	69.5
City University	445	5.6	24.0	44.0	68.3	70.1
Brunel	353	8.8	34.6	54.6	68.8	72.2
Manchester	2,151	5.6	36.6	56.6	69.5	74.9
Aston in Birmingham	798	5.9	32.0	52.0	70.5	81.6
Loughborough	688	8.0	34.6	54.6	71.4	82.1
Bradford	742	4.3	34.5	54.5	73.7	86.3
Bristol	1,474	5.4	35.8	55.8	74.1	81.5
Durham	1,029	4.9	34.5	54.5	74.5	85.7
Birmingham	1,545	6.7	35.5	55.5	75.1	81.2
Surry	507	10.5	40.0	60.0	75.1	91.9
University of Wales						
Cardiff	3,641	4.7	34.9	54.9	78.4	91.0
Sheffield	1,512	6.1	36.0	56.0	78.6	88.0
Kent	643	3.8	32.9	52.9	79.5	94.4
Exeter	474	5.1	41.3	61.3	79.7	95.8
Warwick	801	4.9	33.9	53.9	79.7	91.0
Nottingham	1,454	4.1	38.1	58.1	79.8	92.0
Bath	657	5.8	37.3	57.3	79.9	92.5
Hull	923	3.4	31.8	51.8	80.2	90.6
Liverpool	903	4.7	40.0	60.0	80.5	96.1
Oxford	2,494	10.6	40.6	60.6	81.2	94.6
Lancaster	736	4.9	36.7	56.7	81.7	96.3
Sussex	815	9.7	44.0	64.0	83.1	93.0
Reading	1,047	4.7	36.6	56.6	84.0	96.7
University of Ulster	369	1.9	30.4	50.4	84.0	96.2
Exeter	914	5.8	40.3	60.3	84.4	95.5
Southampton	1,018	6.0	40.3	60.3	85.5	97.3
East Anglia	787	5.2	39.6	59.6	86.5	97.3
York	354	2.8	35.6	55.6	86.7	99.4
Keble	617	5.5	46.0	66.0	87.4	98.4
Cambridge	2,946	17.5	54.0	65.9	92.3	98.0
Total	55,448	6.6	32.1	56.9	69.8	80.2
Men	36,889	7.6	31.7	57.5	68.0	80.1
Women	18,559	4.6	32.8	55.8	73.1	80.6

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One of the largest firms of stockbrokers in the City of London seeks a specialist in short-dated stocks to join a highly successful and professional gilt-edged team servicing major institutions.

Candidates, preferably 25-35, will be stockbrokers with several years' experience of dealing in Government securities; or alternatively investment managers controlling large gilt-edged portfolios. Real prospects of a partnership.

Please write or telephone in strict confidence to W. T. Agar, John Courlis & Partners, Selection Consultants, 78 Wigmore Street, London W1H 9DQ (Tel: 01-486 7442), indicating briefly, relevance of experience and quoting reference 2030/FT.

Careers in Accountancy

Our client, a major British multinational manufacturing Group, is justifiably recognised as providing training, experience and prospects which are second to none. Expansion and internal promotion have provided the following opportunities with competitive salaries.

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Management Accountants, North Midlands, North London and Thames Valley

Applicants, early/mid 20's, will be seeking to consolidate their recent ACMA/ACCA qualification in a company which can provide broad experience and career advancement to match ability and ambition.

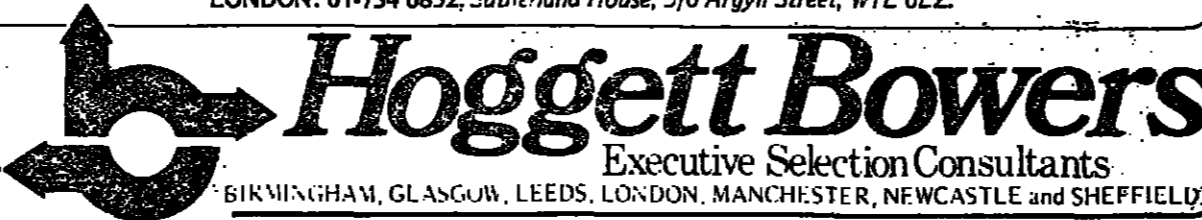
Wanting to Qualify?

Trainees - Merseyside, North Midlands, Thames Valley

Training will provide stimulating experience which is in line with ACMA/ACCA requirements, combined with day release, study leave and in-house business courses. Candidates should have a degree, preferably in a commercial discipline and experience, although helpful, is not essential.

H.W. FitzHugh, Ref: 20068/FT.

Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.



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Far East Initially c. £9000 equivalent + major benefits

The international division of one of the world's leading corporate banks requires a Systems Accountant to join its International Operations Group.

The bank is expanding its operations in the Far East and this person would initially be assigned to join a small team responsible for the development of information and operating systems in that area. The work will involve improving existing branch operations and establishing systems and management reporting for new branches.

Candidates for this position should be qualified accountants, preferably aged 25-30, with auditing or systems experience in international banking.

The remuneration package will also include generous allowances, accommodation, home leave entitlement and annual profit sharing.

Please telephone or write to David Hogg, A.C.A., quoting reference 1/1618.

EMA Management Personnel Ltd., Burne House, 55/59 High Holborn, London WC1E 6LR. 01-262 7773

JO&P

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Management Accountant

A.C.A. or A.C.M.A. £6,000-£6,500 p.a.

Yorkshire Bank with its Head Office in Leeds and a network of over 180 branches employs almost 3,000 staff. It has Finance Company and Leasing Company subsidiaries.

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This section prepares financial forecasts and monthly management accounts, maintains a budget system, costs projects and services, and provides information for the guidance of General Management.

The management accounting function in the Bank is still in the course of development and the successful applicant will be expected to make a significant contribution to the improvement and development of the section.

He or she will be directly responsible to the Group Chief Accountant and will work in close liaison with the Financial Accountant, and together with the Financial Accountant will also assist the Group Chief Accountant in general matters.

Applicants should have relevant experience, preferably in a financial institution and the preferred age range is 30-35.

Commencing salary will be in the range £6,000-£6,500 per annum together with 28 days holiday and a non-contributory superannuation scheme. There is also a Staff House Purchase Scheme with preferential rates of interest and an in-company Sickness and Accident Fund.

Applications giving details of your career to date should be sent to:-

Mr. N. A. Sternbach, Manager, Personnel Selection, Yorkshire Bank, 6 Queen Street, LEEDS LS1 1HG

FINANCIAL CONTROLLER £12-£14,000 p.a.

- Large International Engineering & Construction Company requires TOP LEVEL Financial Controller
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- Some banking relationships will be assigned.

Applicant should be Chartered Accountant. May be man or woman.

Inquiries will be held highly confidentially.

Write Box A.6175, Financial Times, 10, Cannon Street, EC4P 4BY.

European Audit U.K. or European Base

Our client, a multi-national U.S. firm with sales of \$800 million, is engaged in the design, manufacture and marketing of electromechanical and electronic business equipment.

Two appointments are now open within the Corporate Internal Audit department. These positions will undertake operational and financial audits and will include responsibility for the planning, conduct and reporting of assignments. They will report to a manager within the U.K.

Candidates should have a strong accounting background and a knowledge of computerised accounting and cost systems.

Applications in confidence quoting ref 6177 to Bernard L. Taylor, Mervyn Hughes Group, 2-3 Cursitor Street, London, EC4A 1NE. Tel: 01-304 5801 (24 hours).

Mervyn Hughes Group

Management Recruitment Consultants

La Société Cellulose du Cameroun (Cellucam) recherche cadres supérieurs (PDG-adjoint, directeurs et dir. adjoints Chefs de fabrication) pour opérations forestières, administratives et de production. Ces postes sont à la nouvelle usine de pâte blanche de la Société (120000 tonnes/an) actuellement en construction au Cameroun. Cette usine sera la première en Afrique à utiliser des mélanges de feuillus tropicaux. Elle sera aussi la plus grande entreprise industrielle dans l'histoire du Cameroun. La Cellucam est une société dont l'Etat Camerounais possède 60% des actions et dont diverses entreprises et groupes de financement européens possèdent le reste.

Avec ses 7,7 millions d'habitants le Cameroun est un pays dynamique d'Afrique Equatoriale, une République stable depuis son indépendance en 1960. La végétation et le climat offrent une riche variété, de la forêt tropicale aux montagnes et aux riches savanes sauvages. Dans la région où l'usine est située, la langue officielle est le français. L'industrialisation du pays progresse constamment; comparée à d'autres pays africains elle a déjà atteint un niveau élevé.

CADRES SUPERIEURS Personnel technique, forestier et administratif pour usine de pâte en Afrique Equatoriale

Nous recherchons des personnes désirant travailler dans une équipe internationale, dans un milieu stimulant et riche d'initiatives, soumis à une grande variété de problèmes dont chacun semble un défi. Il est souhaitable que les postulants aient une grande expérience de travaux analogues. De plus, le postulant idéal devra connaître aussi l'anglais. Une certaine expérience de l'Afrique sera un atout supplémentaire. Le traitement sera à la mesure de l'expérience déjà acquise, il inclura l'indemnité d'expatriation, le logement meublé gratuit, la scolarité et deux mois de vacances avec voyage payé dans le pays d'origine, pour la personne engagée et sa famille.

Toute demande (pour chacun de ces postes, y compris références professionnelles, questions de traitement, ainsi que le curriculum vitae) est à adresser à SCA Teknik AB, S-851 88 Sundsvall, Suède, qui est notre conseiller principal pour ce projet.

Ecrire en français ou en anglais et mettre "Cellucam", sur la demande, svp. Toutes les réponses seront traitées de façon strictement confidentielle.

Financial Controller £13,000+car

A quoted property group based in London is currently building up an energetic management team and wishes to recruit a Financial Controller of sufficient calibre to justify a later Board appointment.

The appointee as senior financial executive would be responsible for all financial aspects of the group's business with special emphasis on establishing effective management information and financial control systems, advising the Managing Director on financial policy and above all improving efficiency and reducing administrative costs by re-organising the group structure.

The new appointment offers a considerable challenge: standards are exacting and the working environment is demanding. The successful candidate will be a chartered accountant, with good commercial and taxation experience. The ability to communicate is essential. The age range is the mid to late 30s. The salary is negotiable at around £13,000 plus car.

Please write in confidence for a job description and an application form to David Prosser, Price Waterhouse Associates, Southwark Towers, 32 London Bridge Street, London SE1 9SY, quoting NCS9941.

Handwritten signature or initials.

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Applications are invited from Graduates aged 25-30, who have acquired at least one year's practical experience in the personnel role in a service industry or allied environment with emphasis on recruitment and utilization of modern management techniques. The successful Candidate's responsibilities will cover the total recruitment function for the Bank's intake of clerical staff and junior management, also counselling at lower and middle management levels and maintaining and administering the clerical job evaluation system. A high level of autonomy will be vested in the appointee, and continuation training will be provided if necessary. Initial remuneration negotiable £5,000-£6,500 + associated house mortgage, non-contributory pension, free life assurance, free B.U.P.A., Assistance with removal expenses if necessary. Applications in strict confidence under reference ROB185/FT, to the Managing Director.

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SENIOR ECONOMIC ANALYST

IRAN

OSCO—The Oil Service Company of Iran (Private Company) a consortium of international oil companies carrying out oil and gas exploration and production in South West Iran on behalf of the National Iranian Oil Company require the services of a Senior Economic Analyst.

The Senior Economic Analyst is required to participate in the evaluation functions of the Economics Department—tender analysis, cost comparisons, contractors claims, negotiations on prices and contract terms etc. Candidates should have a degree in economics or business administration and an accountancy qualification is desirable. Preference will be given to candidates who have previous contract evaluation experience in the Oil Industry.

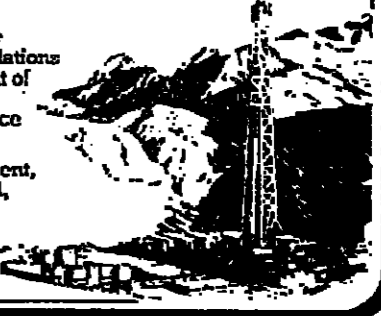
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VACANCIES

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Applicant should possess a good University degree in Electrical/Electronic Engineering or an equivalent professional qualification, and must have registered or be registerable with a recognised Professional Engineering Association such as the Council of Registered Engineers of Nigeria (COREN). In addition, he must have acquired a minimum of three years' post-qualification experience in the Protection, Control and Metering Field in a power utility, a major manufacturing company or similar concern.

Applicants holding the Higher Diploma/Certificate in Electrical/Electronic Engineering with a minimum of five years' post-qualification experience in protection, control and metering will also be considered. Those with lesser experience may be considered for appointment as Assistant Instructors.

The successful applicants will be responsible for developing courses, writing instructions on new and existing equipment, and actually instructing both in the classroom and laboratory. They will also be expected to work in the field with support groups from time to time.

Attractive salaries commensurate with qualifications and experience as well as generous fringe benefits will be offered to the right candidates.

Interested person should forward his curriculum vitae (in duplicate) containing his full names, age, marital status, nationality, qualifications indicating dates obtained, specialised training, if any, work experience showing periods, present appointment, with date of entry, and other useful pieces of information to the Director of Personnel, National Electric Power Authority Headquarters, 24/25 Marina, Lagos, Nigeria, to reach him not later than Friday, 23rd December, 1977. Copies of relevant certificates must be attached.

J. A. ROW,
Director of Personnel

External Advert No. 24/77
14th November, 1977.

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The appointed applicant will be expected to work with, and advise, European international companies on the establishment and implementation of international treasury systems that will provide ongoing assistance in the management of world-wide foreign currency exposure, international cash flows and debt management.

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This is an exceptional opportunity which offers substantial scope for career development.

Contact A. J. Tucker M.A., A.I.B., in confidence on 01-248 3812.

NPA Recruitment Services Ltd
60 Cheapside, London EC2 Telephone: 01-248 3812/3/4/5

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Candidates, aged 27-35, should have an accountancy qualification or the AIB Trustee Diploma, supplemented by several years' experience in the administration of international trusts and managed companies. An ability to deal effectively with clients at senior level is essential in a position which may involve a certain amount of business development.

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Contact Norman Philpot in confidence on 01-248 3812

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60 Cheapside, London EC2, Telephone: 01-248 3812/3/4/5

Financial Controller

Central London c. £7,500 + car

A large US International Corporation, the largest US manufacturing company in its specialist field, opens a new office in Central London early in 1978. They now seek their first Accountant. The London Office will report to the International Division in New York and will control a new high quality manufacturing operation in the North of England, import of materials into UK, and the new marketing and sales drive into Europe.

Reporting to the Managing Director, the Financial Controller will be responsible for the entire financial function, the complete administrative staff of the new office, and the full range of Company Secretarial responsibilities. Tasks will vary from simply opening up a set of books to the complexities of foreign exchange and taxes. He or she will have tight reporting deadlines and a unique opportunity to demonstrate ability and performance in both UK and US terms. This job has real growth potential for the right person.

This appointment will suit a qualified accountant, probably aged over 28, who can work under pressure, manage a small financial team and demonstrate potential as well as relevant experience. A graduate with the appropriate commercial background may have an advantage.

Salary is to be over £7,000 p.a. and a car is provided. Future prospects depend upon ability and success.

Candidates, male or female, should write in confidence for a personal history form, quoting reference MCS/7976 to Roland Orr, Price Waterhouse Associates, Southwark Towers, 33 London Bridge Street, London SE1 8SY.

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London Based Circa £10,000

We are retained by Chase Manhattan Bank, N.A. to fill positions with experienced International Bankers who can design, develop and implement facilities in International Trade. The posts will be London based and will principally be concerned with Africa, Middle East and Latin America.

These positions will appeal to the successful banker with international experience who wishes to accelerate his career path with an expanding, committed company. Candidates must be highly market orientated and have the ability to control and manage relationships and facilities at a senior commercial level. Ideally aged between 30/45 years, candidates will have spent significant periods overseas and it would be an advantage if these periods had been spent in the territories listed. The commercial pressures and considerations involved in the function international banking plays in developing nations should be clearly understood. It is important that candidates can demonstrate complete familiarity with the Instruments of International Trade.

Successful candidates will be given the opportunity to promote their careers within the bank at a rapid pace, a consequence of which could include relocation overseas, and it is important that candidates are prepared to make a firm commitment to the mobility which success in the post would demand. Initial interviews will be held in major cities. Salary will be competitive and negotiable depending on experience.

For further information and an application form please telephone Preston (0772) 21072 (24 hr. service) / Quote ref: MH.234/2
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Recruitment and Selection Consultants
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Our client is one of the leading Japanese Securities Companies which is rapidly expanding its Bond business throughout Europe.

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A knowledge of French or German would be an advantage.

Salary is negotiable and will be attractive.

Please write or telephone for an application form, quoting ref. 897, to:

W. L. Tait,
Touche Ross & Co.,
Management Consultants,
4 London Wall Buildings,
London EC4M 3UJ.
Tel: 01-588 6644.

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A highly successful and profitable firm specialising in the terminal market is currently seeking to strengthen its management team. It wishes to appoint a qualified accountant who, reporting to the Managing Director will take full responsibility for all aspects of accounting, financial control and administration. A thorough knowledge of commodity broking operations, gained in either a similar position or the profession, is essential. Commitment, involvement, and profit-motivated approach will be well rewarded financially and by a Board appointment in the short term. The position is based in London, but the company operates internationally and has membership of most of the major commodity markets.

Telephone 01-836 1707 (24 hr service) quoting Ref: 0528/FT. Reed Executive Selection Limited, 55-56 St. Martin's Lane, London WC2N 4EA.

The above vacancy is open to both male and female candidates
London Birmingham Manchester Leeds

Jonathan Wren Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

CHIEF FOREIGN EXCHANGE DEALER MIDDLE EAST

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Contact: Richard J. Meredith

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Contact: Mike Pope

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Contact: David Grove

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£6,000-£8,000

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Contact: Mike Pope

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

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The successful applicant will be presently earning a five-figure salary, will possess a well developed business acumen and consequently be profit motivated. In addition the applicant will have outstanding leadership qualities and a background embracing all aspects of the roadstone industry, in particular contracting and road surfacing. This is an opportunity to join an interesting and progressive company.

Please write, in strictest confidence, to The Chairman, Box A.6176, Financial Times, 10, Cannon Street, EC4P 4BY.

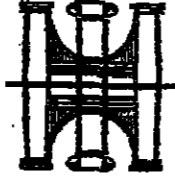
DEALING ROOM ASSISTANT

The London subsidiary of one of Japan's leading Securities companies require a junior assistant for their Dealing Room.

Experience is not necessary, but the successful candidate should have a sound commercial background and possess a good personality.

Salary negotiable plus generous fringe benefits.

Apply in writing giving full details of your career to date to Box A.6178, Financial Times, 10, Cannon Street, EC4P 4BY.



Senior Foreign Exchange Dealer

The Hungarian International Bank Limited require a Senior Foreign Exchange Dealer. Good salary and benefits negotiable.

Write with details or telephone:

Mr. E. R. Bradshaw, Foreign Exchange Manager

Hungarian International Bank Limited

Princes House, 95, Gresham Street
London EC2V 7LU
01-606 1845

NOTHING VENTURED NOTHING GAINED

£5,000-£12,000
Our clients, leading firms, look for high calibre individuals in marketing, Commercial, Banking, Money Broking, plus Accountants and Economists. Let us know of your experience and expectations and we'll keep you informed of any post-start which could be of interest.

Stephens Selection
33 Doves Street, London W1X 3RA
01-483 0867
Recruitment Consultants

YOUNG ACCOUNTANT

£4,500
A leading City firm is looking for an ambitious and intelligent qualified accountant (ACA or ACCA) to assist the Group Chief Accountant on Management and Financial Accounts, supervising a staff of six. Excellent career prospects and company benefits await the right person.

Stephens Selection
33 Doves Street, London W1X 3RA
01-483 0867
Recruitment Consultants

CHIEF ACCOUNTANT

For a substantial British company of considerable potential with a wide range of engineering design and manufacturing activities. Location South Coast.

The post responds to the Finance Director and the task covers responsibility for all aspects of the accounting function. This is an important career appointment and the successful candidate will be joining an experienced executive team.

The requirement is for a qualified accountant with a sound background of accounting in an industrial environment, preferably engineering manufacturing, with computer-based systems. Experience of government and export contracts, together with a knowledge of taxation, would be an advantage. In addition, the qualities of leadership, initiative and the ability to manage a considerable staff are essential to the position, as is the character and potential to go to the top.

Preferred age 33-48. A competitive salary is being offered. write in confidence to

F. H. Scobie

CORNWALL DABORN GARRATT LIMITED

Management and Executive Search Consultants
333-337 Grand Buildings, Trafalgar Square, London WC2

Senior Foreign Exchange Dealer

Manila

Our Client, a leading U.S. International Bank seeks to appoint an experienced Foreign Exchange Dealer to assume responsibility for its money market activities in a new branch to be opened shortly in Manila.

This important appointment will appeal to candidates who have the appropriate knowledge and expertise to become involved in all aspects of the Bank's money market business. Additionally, you should have some experience of the related administrative functions, including the training and motivation of staff.

The position involves:

- the setting up and management of a successful trading team
- establishing the Bank's presence in a fast growing market
- the development and maintenance of corporate and banking relationships throughout the Philippines

and offers:

- a high degree of autonomy
- profit responsibility
- development potential as a member of a team breaking new ground in the Bank's international expansion programme

The initial assignment will be on a two to three year contract, with the possibility of an extension or relocation within the organisation. Salary will be negotiable, and the total remuneration package will be commensurate with responsibility and compatible with the benefits associated with major international employers in Manila.

Please write giving full career details to J. M. Steiner, at the address below quoting ref. ED/213/FT. List separately any company to whom we should not forward your reply. All replies will be answered.



CONFIDENTIAL REPLY SERVICE
Benton & Bowles Recruitment Limited,
197 Knightsbridge, London SW7.

Assistant Manager

BUSINESS DEVELOPMENT

P. S. Refson & Co. Limited wishes to appoint a talented young executive to assist in its business development activities.

The ideal candidate will hold a university degree or professional qualification, be aged 27-32 and have at least three years' experience of international banking, with particular reference to trade finance. The ability to speak a foreign language and a readiness to travel at short notice will be an advantage.

The bank moves to its own City premises in 1978 and this vacancy arises through the continuing expansion of the bank's activities.

Salary, rewards and future prospects will satisfy the most ambitious. Please reply in confidence to:

The New Business Manager,
P. S. REFSON & CO. LIMITED,
1 Hobart Place,
London SW1W 0HU.

General Manager Finance

Cryoplants Limited—a wholly owned subsidiary of BOC Limited—engaged in the design and manufacture of plant for the production, distribution and storage of industrial gases, is looking for a General Manager to head up its Finance Division.

The successful applicant will be a Qualified Accountant and will have had experience of either financial control of long term projects or financial control in the heavy engineering industry. He or she will be familiar with the export financing of such projects through ECGD and ideally should have experience of working with banks.

He or she will be responsible for the on-going development of a computer based management information system.

The position of General Manager reports directly to the Managing Director and carries with it a commensurate five-figure salary; the provision of a company car; assistance with relocation if appropriate, etc.

Applicants should, in the first instance, write to the General Manager, E.R.D., Cryoplants Limited, Angel Road, Edmonton, London N18 3BW, giving details of their qualifications and experience to date.



Assistant General Manager Administration

West Midlands c.£8,500 + Car

The Coventry Economic Building Society wishes to appoint an Assistant General Manager, Administration. This is a new appointment and gives the opportunity to contribute at senior management level in a growth situation.

Reporting to the General Manager, the A.G.M., Administration will be responsible for data processing and systems development throughout the Society. A Honeywell 84/30 has recently been installed and an immediate task will be the implementation of on-line systems capable of handling the quarter of a million accounts currently maintained.

Candidates should be aged 30-45 and must have relevant computer experience in a commercial environment. In particular they should be used to working closely with user departments at senior level and have management experience.

Initial salary will be about £8,500. Other benefits include a car, concessionary mortgage facilities, an attractive pension scheme and assistance with relocation expenses if required.

Candidates of either sex should apply giving personal details and an outline career history, quoting reference FT/347/S, to:



Turquand, Youngs & Layton-Bennett,
Management Consultants,
11 Doughty Street, London, WC1N 2PL

COUNTY OF CLEVELAND

PLANNING DEPARTMENT

Assistant County Planning Officer (Industrial Promotion)

(Salary: Grade PO3 £8119-£8707 including supplements)

Cleveland County has been described as Europe's most dynamic industrial area. Industry is investing £2,000m. in oil, chemicals and steel, but Cleveland still has a shortage of jobs.

This is the problem which will face the successful applicant for the post of Assistant County Planning Officer (Industrial Promotion), which will be vacant shortly.

Applicants are invited from persons with a wide experience at senior level of industrial marketing and/or industrial development. This experience need not have been gained with a local authority, but it may help.

The successful applicant will be responsible to the County Planning Officer for leading the Industrial Promotion Division which is concerned with developing the industrial promotion programme aimed at attracting employment and industry to the County.

The work includes negotiations with potential developers and advising incoming firms on sites and services, in close liaison and co-operation with the four District Councils. Relevant experience will include previous responsibility for the development of marketing strategy, promotional work and the ability to conduct commercial negotiations at Director level.

A reasonable amount of travelling will be involved and an essential car user allowance will be paid. In appropriate cases temporary housing accommodation may be provided, together with assistance towards the costs of removal of personal effects, etc.

Application forms and further details may be obtained from Mr. W. Bean, FRPI, County Planning Officer, County of Cleveland, Gurney House, Gurney Street, Middlesbrough, Cleveland, or by telephoning Middlesbrough 248155, extension 2423 (Mr. S. A. F. Comer). Completed application forms must be returned by 24th December, 1977.

Company Secretary

Public Company

required for a number of principal operating subsidiaries of a leading blue-chip group. In addition to the commonly accepted duties (some of which are hired off into separate sub-functions) the appointment involves a special role of an advisory and communications nature at various levels throughout the group.

Candidates should be university graduates, aged 30 to 35, and be chartered secretaries or legally qualified, with appropriate experience in a sophisticated group where organisational distinctions are not immutable.

Remuneration around £10,000; outstanding prospects of advancement. Location: London.

Please telephone (01-629 1844 at any time) or write - in confidence - for further information. S. W. J. Simpson ref. B.7772.

This appointment is open to men and women.

MSL Management Consultants

Management Selection Limited
17 Stratton Street London W1X 6DB

PROGRAMMING MANAGER

What would you move for?

- * Dedicated Development Machines
- * Better Career prospects
- * Sophisticated system being developed for 370, System 3 and 34
- * Modern working conditions
- * Possibility to travel
- * Separate documentation unit
- * Bank's fringe benefits
- * Advanced Training Program
- * Excellent salary

We are the development unit of an international Bank located in London and providing the automation support for our overseas branches. If you are ready to accept the management team responsibilities of our highly qualified programming team please contact Jean Dennington on 01-734 6134



Jean Dennington Ltd.,
14 The 7 Building Street,
London W1X 1FF,
Tel: 01-734 6134/5, 6, 7,
Casting Ref: JD/C/1341

ALLEN HARVEY & ROSS LIMITED

wish to recruit

2 EXPERIENCED DEALERS

for their sterling and dollar CD departments. A competitive salary and attractive fringe benefits are offered. Please apply in writing, with full details, to:-

Mr. J. A. Pound
Allen Harvey & Ross Ltd.
45, Cornhill, London EC3V 3PB

All applications will be treated in strict confidence.

Investment Analyst

L.B.I., a major international bank, requires an experienced Investment Analyst with knowledge of non-U.K. bond and stock markets and the ability to engage in a full range of economic investment studies. Knowledge of a major foreign language is desirable, though not essential.

A competitive salary is offered plus benefits which include a non-contributory pension scheme and mortgage and loan facilities.

Please write with full career details to:-
Rosmary Probie, Senior Personnel Officer.



45 St. Queen Victoria St., London EC4P 4LL

CIC CREDIT INDUSTRIEL ET COMMERCIAL

74 London Wall London EC2M 5NE

In view of the forthcoming computerisation and reorganisation of the Bank's accounting system, we invite applications for the post of

Chief Accountant

Candidates should have passed the examinations of the Institute of Chartered Accountants or a similar body, and have several years' previous experience of international banking and computerised accounting as well as some knowledge of French. The ideal candidate would probably be aged 35-40.

The salary will be commensurate with the high standards and qualifications expected from suitable applicants.

Brief details of your professional background, together with an indication of your present and expected salary, in writing to Mr. S. A. JOYCE, Staff Manager, at the above address.

SENIOR EXECUTIVES

INTEREXEC gives positive assistance to Executives seeking new employment or to improve or change their careers. Where to start looking for a job. Which Agencies can help? How to find unadvertised vacancies? What are conditions like in the Middle East? How to succeed at interview? How to find the right job at the right salary? INTEREXEC maintains all the information you need, provides a comprehensive advisory service and does all the ground work of job hunting for you, enabling Executives to explore the market with confidence, and to secure the right appointments faster.

Why waste time? - Phone for details:
THE INTEREXEC REGISTER LTD.
The World Trade Centre, London E1 9AA.
Tel: 01-488 2400, ext. 52.

UNIVERSITY OF MELBOURNE

CHAIR OF BUSINESS ADMINISTRATION

Applications are invited for the Chair of Business Administration in the Faculty of Business Administration, University of Melbourne. The holder of the Chair will be responsible for the development and maintenance of the Chair and will be expected to contribute to the advancement of business administration in Australia and overseas. The holder of the Chair will be expected to hold office for a period of five years. The salary will be in the order of \$40,000 per annum. Further information about the Chair, including details of application procedure, may be obtained from the Registrar, University of Melbourne, or from the Chair of Business Administration, University of Melbourne, 246 St. Albans Street, St. Albans, Victoria 3023, Australia. The closing date for applications is 28 February, 1978.

Joy in it

Euro-currency opportunities

Hong Kong

Due to the continued expansion of our Euro-currency activities in the Asia Pacific Region, Grindlay Brandts now need to strengthen the management team in Hong Kong.

Syndication Manager

Based in Hong Kong, after an induction period in London, you will take responsibility for loan syndication in the Asia Pacific Region. A graduate, you must have had several years' experience with a leading international bank. Experience should include a good knowledge of the Euro-currency syndication market and loan documentation.

Account Manager

A graduate, you will have had at least three years' credit experience in an international bank. Again based in Hong Kong, after some time in London, you will market corporate and national borrowers and assist in managing a substantial existing loan portfolio. Knowledge of the area would be an advantage.

These are two very attractive opportunities and the usual generous fringe benefits for appointments of this importance are offered.

Please write with full career details to:

Grindlay Brandts

Mr. T. C. H. Macafee,
Manager, Recruitment,
36 Fenchurch Street,
London EC3P 3AS.

Financial Accountant

International Internal Audit

c.£9,000

For a new consortium of leading international shipping lines with offices in the West End of London.

There are two main aspects to the job. The first involves cost investigation of all forms of transport provided by the consortium. This will entail frequent travel within and beyond

Europe for brief periods during the year as the leader of a small team. The second is to monitor financial settlements between consortium parties.

The requirement is for a qualified accountant with extensive audit experience and a commercial bias. Age: early thirties. The appointment is open to men and women.

Please write in confidence to I B Murdoch (Ref: 847/F)

Thomson McIntock Associates

70 Finsbury Pavement London EC2A 1BX.

Rowe & Pitman, Hurst-Brown

Members of The Stock Exchange

ANALYST
RETAILING (FOOD/STORES)

Rowe & Pitman, Hurst-Brown wish to recruit an investment analyst with relevant experience in the food retailing and stores sectors. The candidate is likely to be in his/her twenties and able to provide evidence of a sound analytical approach to these sectors.

Salary negotiable according to qualifications and experience. Non Contributory Pension Scheme and good life assurance cover.

Applications with C.V. in confidence to:—

P.N. Smith Esq.,
Rowe & Pitman, Hurst-Brown,
1st Floor, City-Gate House,
39-45 Finsbury Square,
London EC2A 1JA.

TR & P

Senior Selection

Managing Director
£20,000 High Technology

An important division of a long established international group, world leader in its special field of systems engineering, has expanded rapidly in recent years, and turnover in 1976 will exceed £20m. A Managing Director is now required who can lead the organisation into further and more profitable growth. The key qualifications for this appointment are a successful record of general management in high technology; experience of marketing on an international

scale, and a demonstrated ability in evaluating the viability of development projects and following through into manufacture and marketing introduction. The preferred age range is 35-45. Candidates of up to £20,000 are envisaged, plus normal large company benefits. Location: A pleasant country town in the South Midlands.

PA Personnel Services Ref: GM12622 FF

Managing Director
c.£12,000 Stationery & Printing

The person appointed will have total print responsibility for the Stationery and Printing Division of a well-established Northern based company, recognised as the market leader in its particular field. He or she will be expected to formulate policy, consolidate the present position of the Division, initiate new product market development and be involved with key accounts. It is essential that applicants, 35 to 45 are thoroughly experienced in the production function within a batch

manufacturing industry using high capital cost machinery, such as stationery, printing or packaging. They must have had a senior post in general management with profit responsibility in a medium-sized company. The conditions of employment are in keeping with a forward looking company. Initial salary will be £12,000 and there is a profit related bonus. A suitable car is provided.

PA Personnel Services Ref: GM27605 FF

Director of Marketing

sinclair

The Sinclair story is well-known — a truly British company based on state-of-the-art electronics technology, imaginatively used to develop products which have opened up totally new international markets in both industrial and consumer fields. To that capability have now been added financial and organisational strengths which must make this one of the most exciting senior marketing jobs to have been offered for a long time. The board appointment carries total responsibility for the sales and marketing functions both within the UK and overseas. The need is for a consumer

marketeer of high calibre with real experience of sales management and exporting; a technical background and some exposure to industrial marketing would be further advantages. The opportunities are substantial — demand for existing products is high, major new products are at the development stage and the environment is highly receptive to new ideas. Cambridge is the location, a flat is supplied and the salary will appear to those currently earning not less than £10,000.

PA Personnel Services Ref: SM43624 FF

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.
PA Personnel Services, Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Telephone: 01-235 6060. Telex: 27874.

Credit Analyst

with Management Prospects

c. £6000

This opportunity is for a recent graduate, who has a strong analytical ability and prior credit analysis experience, to make an immediate impact on our credit work load. Successful performance in that capacity could, after about a year, result in a move to a leading position. Candidates, male or female, must have above average personal confidence and presentation coupled with a high degree of self-motivation, drive and enthusiasm. Work experience or training with a North American Bank or in American credit procedures is a distinct advantage.

Continental Illinois Limited was established in London in 1972 as the centre of merchant banking activities for Continental Illinois Corporation and offers the Credit Analyst a wide variety of work covering industries, services and countries. A small team environment ensures that good results are quickly rewarded.

We are offering c.£6000, which could be higher for the exceptional candidate, together with fringe benefits which include subsidised mortgage facilities, non-contributory pension scheme, life assurance and medical insurance.

Please write in confidence to:
Thomas J. Cole,
Personnel Representative - Europe,
Continental Illinois Corporation,
14 Moorfields Highwalk, London EC2Y 9DL.

CONTINENTAL ILLINOIS LISTED
subsidiary of Continental Illinois Corporation.

Financial Analyst

KUWAIT

A major Kuwait trading organisation wish to appoint a Financial Analyst and assistant to the Investment Manager. He will be located in Kuwait with some travel. The company are, or will be, involved in long and short term investment of variable amounts in a wide variety of markets, including stock, gilts, bonds, property (world wide), leasing and purchase, development etc.

Investments currently under consideration include one of \$35,000,000.
The man, probably aged around 30, will hold a suitable qualification and be experienced at making reasoned judgments in this field.
Free single or married accommodation and air fares are included in the package and the tax-free salary which is negotiable, will be well up to Kuwait standards and will certainly not deter the right applicant.

Please write in confidence, describing qualifications, experience and personal details to John Green at:

M Malla Management Consultants Ltd.,
1 Devonshire Street,
London, W1N 1FX.

Corporate Planner - Europe

Spain

over £12,000

A leading international financial group with corporate headquarters in the United States seeks to expand their European operations based in London. An opportunity arises in 1978 for a man or woman who has complete fluency in Spanish and English, and an appropriate knowledge of the Spanish financial markets, to plan and set up a new operation.

After initial training in London responsibility would be to the Vice President in London. A wide range of specialist business is envisaged which will require a high degree of technical competence, the prudence of a banker, and a flair for being able to rapidly prepare complex proposals acceptable to possible clients.

This appointment will suit those with at least two years commercial experience in Spain, perhaps for a UK or US financial organisation. Besides an

outstanding knowledge of Spanish, a degree, MBA or a suitable professional qualification is preferred. Those with lending/leasing experience in a large financial organisation, or who have been appropriately involved in the corporate planning side of a bank based in London or Spain will have an advantage. Age is around 30 to 45.

The remuneration package is above £12,000 p.a. plus appropriate fringe benefits. The total package is sufficiently flexible to attract the calibre of candidate required, success could lead to future planning prospects in the long-term, either in Europe or world-wide.

Candidates, male or female, should write in confidence for a personal history form, quoting reference MCS/1978 to Roland Orr, Price Waterhouse Associates, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Charterhouse Japhet Limited Corporate Finance

Charterhouse Japhet Limited, a member of the Accepting Houses Committee, is looking for an executive to join its Corporate Financial Services Department.

Applicants should be graduates under 27 years old wishing to make a career in merchant banking. They must be qualified as solicitors or accountants or have business school degree. Some relevant post-qualification experience is necessary, preferably in takeovers and mergers or investigation work.

The successful candidate will be offered a salary of not less than £6,000 per annum together with the usual benefits. Please write or telephone for an application form to:

D. L. Greenacre, Charterhouse Japhet Limited,
1 Paternoster Row, St. Pauls, London EC4M 7DH.
Tel: 01-248 3999.

CHARTERHOUSE

FIXED INTEREST MANAGER

We are an expanding Life Assurance Company with assets currently in excess of £70 million and are seeking a Fixed Interest specialist to manage actively a portfolio of gilt-edged and industrial debentures.

Applicants would probably be in their late twenties or early thirties and should have at least three years of successful experience with a Stockbroker, Merchant Bank or Institution, and either a degree or a relevant professional qualification.

The Company offers a competitive salary related to experience and ability and attractive staff benefits.

Please send full career details including current salary to:—

R. H. A. Wain, Resident Associate Treasurer,
IMPERIAL LIFE ASSURANCE COMPANY OF CANADA
26 St. James's Square, London S.W.1.

INTERNATIONAL FINANCIAL ANALYST

U.S. firm, specialising in financial corporations, plans expansion of its bank-research team. Present thrust is credit and investment analysis of banks and banking systems on a world-wide basis.

The applicant should be aged 25-40 and be fluent in at least one of the following languages: German, Spanish, Italian. Past experience of analytical work is essential.

The post requires an ability to interview management at the more senior levels and to produce individual reports on banks and national banking systems.

The successful applicant should be prepared to work as part of a small team and be closely involved in its development.

The initial salary for this post is likely to be in the £8,000-£11,000 range and opportunity exists for promotion within a short period.

Write giving details, in confidence, to Box A.6179, Financial Times, 10, Cannon Street, EC4P 4BY.

LIKE A JOB WHERE YOUR GREY MATTER IS MORE IMPORTANT THAN YOUR GREY SUIT? SENIOR SETTLEMENTS/CONTRACTS CLERK c. £5,000

We're looking for people, male or female with wide stockbroking experience including contracts, rights and dividends with settlements in both sterling and other currencies. You'll need bookkeeping too, though not to trial balance. But the thing you'll need most of all is a brain that's in tune with the modern business of stockbroking. You'll have to be able to supervise and put your own entries across, as well as dealing with clients and ledger accounts.

So if you believe you can handle the job call the number below. We are a modern investment management company offering a really excellent set of benefits. PHONE NOW.

CLIFF BULL 01-248 5508. ALFRED MARKS STAFF BUREAU
Stockbroking and Banking Division, 30 Cheapside, EC2.

BANKING

The Bank of Credit and Commerce International, as part of a planned programme of expansion for 1978, is seeking experienced Bankers to manage and assist in the Management of Branches outside the London area.

Outstanding professional and personal qualities are required to meet the demand of these appointments and applicants must have extensive experience in U.K. banking. Salary and benefits will not be a limiting factor to those who meet our demanding requirements.

Please write briefly or telephone for an Application Form, indicating your preferred area of work to:

Rodney J. Evans
Personnel Manager
Bank of Credit & Commerce International
100 Leadenhall Street
London EC3A 3AD
Tel: 01-283 8566

Bank of Credit and Commerce International

Experienced International Trader Top remuneration package

Recently established international trading organisation, backed by substantial financial and industrial enterprises, now wishes to appoint another experienced international trader.

We are looking for a young dynamo prepared to play a key part in the rapid expansion of an exciting and rewarding London based enterprise.

Previous experience should ideally include dealing in process plant projects, maritime transport and shipbuilding, textiles, plastics, furniture, food, petro-chemicals, paper and cement.

Spanish language an asset. Top salary and benefits are negotiable.

Please write in first instance to the Chairman, C.M.S., 21 Great Portland Street, London W1N 5DK.

CITY — FINANCE

Substantial Company, based in City of London, wishes to supplement its small management team and invites applications from graduates or professionally qualified persons in their early 30s. Commercial experience in industry-banks or property is essential and one appointment requires legal background. Attractive prospects, an interesting career at a commencing salary of £7,000 with other benefits, are offered.

Write Box A.6177, Financial Times, 10, Cannon Street, EC4P 4BY.

CRUSADER

INSURANCE COMPANY (NIGERIA) LTD. VACANCY FOR GENERAL MANAGER

THE COMPANY

"The Crusader Insurance Company (Nigeria) Limited has been established in Nigeria for twenty years and underwrites Ordinary Branch Life Assurance and Group Life and Provident Funds. The Company is a joint undertaking between the Federal Military Government and Crusader Insurance Company Limited of the United Kingdom."

POSITION:

The position is for the General Manager who is also the Chief Executive of the Company and is open for both Nigerians and Expatriates. The right candidate will be one with proven experience in a Life Insurance Company or Financial Institutions in a top Management position.

The following are required of the candidate:

- i) Age... 40 years or above.
- ii) Qualifications:
 - a) Associate of Chartered Insurance Institute (Life Branch) or equivalent. Management experience in a Life Company for at least three years. OR
 - b) Management experience in the administration of a Life Fund for at least five years.

- c) An Actuary.
- d) A Chartered Accountant with management experience in a Life Company or Pension Fund.
- iii) British or trained in the British system of Life Assurance Management.

Terms to be offered
The remuneration for this position is very attractive and commensurate. The probationary period is for one year.

Period of Initial Contract:
Three years including probationary period.

Method of Application:
Application together with curriculum vitae, with names of three referees, present salary including benefits etc., should be addressed to:

The Secretary,
Crusader Insurance Company Ltd.,
Woodhatch,
Reigate
Surrey RH2 5BL

to reach him not later than 23 December, 1977.

Corporate Finance

Arbuthnot Latham & Co., Limited are seeking two executives for their Corporate Finance Department as a result of promotions within the Group.

Candidates, between 26 and 30 years old and preferably graduates, should be qualified as lawyers or accountants, or hold an appropriate business qualification. Ideally they should already have two to three years' experience in a merchant bank or have gained similar post-qualification experience on corporate activities elsewhere.

Arbuthnot Latham offers the opportunity to the right persons for early responsibility and the successful candidates will work as part of a team on a wide variety of UK and international Corporate Finance problems and assignments.

Please write with a detailed curriculum vitae to
D I Cadman,
Group Staff Manager,
Arbuthnot Latham
Holdings Limited,
37 Queen Street,
London EC4R 3BY.



First Class Opportunities available to qualified accountants and experienced ACCOUNTING PERSONNEL.

Contact: Bob Miles or Brian Cognet on 01-428 2491



APPOINTMENTS WANTED

STOCKBROKERS

Small team of 3 stockbrokers specialising in institutional marketing and dealing with high quality institutional connections seek to expand and develop its own business within a streamlined research based organisation more suited to its professional outlook.

Write Box A.6181, Financial Times, 10, Cannon Street, EC4A 4BY

Phonogram, a leading major record and tape marketing company and member of the International Polygram group of companies, are recruiting a

CHIEF ACCOUNTANT

This is an opportunity for someone in their late 20s with Management Accounting background to be responsible for the accounting service within a very fast-moving environment.

The successful candidate will possess the potential to progress within the group. In addition to required commercial acumen and technical skills, knowledge of E.D.P. systems would be an added advantage.

In addition to an attractive commencing salary, we offer four weeks' holiday per annum, company bonus and pension schemes, LVs and staff purchasing facilities.

Applications to:

C. J. Ryan,
Personnel Manager,
Phonogram Limited,
129 Park Street,
London W1Y 3FA.



FRENCH PRIVATE BANK

is seeking an experienced

Eurobond Dealer

to develop existing and new contacts for both primary and secondary market. The individual selected will be ready to solicit business on an active basis from Paris accompanied by visits abroad to develop a more personal relationship.

Candidates will have to be professionally qualified with at least three to five years' experience in this activity.

Remuneration attractive for the right candidate. This position is open to either a German, Dutch or British National or a French citizen with full knowledge of English and German.

Send manuscript letter with cv. and photo to:

PLAIN CHAMPS,
5, rue du Helder—75009 Paris (France).
Reference number: 2002.

FINANCIAL TIMES

Commodities Appointments

On every Thursday, from 19th January 1978, look out for the Financial Times Commodities Appointments section—just part of our regular Thursday appointments column.

For details of advertising in this new section contact: Steve Nevitt or Mike Hills on 01-248 8000, ext. 591 or 588.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Advertising and...

The commercial now starting...

AT THE BARGAIN Away-Day rate of £16,000, British Rail is planning a seven-minute Christmas morning TV commercial to be screened nationally at 11.45 a.m. as a prelude to next year's revamped 55m. BR advertising campaign, writes Michael Thompson-Noel.

The commercial is not expected to coast to the top of the ratings, but is intended to introduce railway staff and the public to part of British Rail's new marketing and advertising strategy.

BR chairman Mr. Peter Parker, whose insistence on good marketing has already been evidenced by the appointment of a Board member for marketing, for Trident Television's electrical discount network—its public relations expertise and the appointment of three new advertising agencies, is expected to make a two-minute appearance during the seven-minute slot. It will also feature some of Masius Wynne-William's new Inter-City com-

mercials, and some of Satchi and Satchi's work on the London and South-East account. According to a spokesman: "It is not a pep talk for the staff but a real effort to show them and the passengers the potential of our system."

The normal cost of a networked seven-minute slot on Christmas morning would be £30,000-plus but BR has secured big discounts.

It is hoped that the commercial will go some way to softening the blow of BR's average fare increase of 14.5 per cent which comes in on January 8.

TV rentals account is staying with Clough Howard Richards in Manchester for the present.

● NEW YORK STATE Department of Commerce is launching a \$333,000 campaign in leading U.K. and European business media to explain the advantages New York offers European business organisations setting up office or manufacturing facilities in the State. The campaign begins today and highlights recently enacted financial incentives.

● DANISH AGRICULTURAL Producers are launching a £500,000 campaign for Danish bacon via Masius Wynne-Williams. During January-Easter, a record £267,000 will be spent on TV. DAP's managing director, Knud Skouby, says: "Bacon consumption is trending upwards. We will be providing intensive retailer support."

● THE MEDIA DEPARTMENT is to handle the £400,000 buying requirement for Heron Motor Group, bringing TMD's new business gains this year to £200,000. The business is mainly regional Press support. Heron's national outlets, ● VICTORIA WINE is concentrating its promotional drive on a £100,000 December Press campaign as well as a further £250,000 on posters, etc. The campaign says over a quarter of its turnover is concentrated in the four weeks before Christmas. ● SPAR, with almost 4,000 retail members and a £100,000 promotional budget this year, is to spend £200,000 on BBC stateboard advertising.

Personalising the pitch

BY MICHAEL THOMPSON-NOEL

GIVEN THE BLITZ of advertising which now bombards our daily lives it is almost a miracle that any selling messages survive the daily battle to win the consumer's attention. But they will do \$10m. worth of business, do. In the U.S., where the average female head of household is now assaulted by an estimated 2,500 advertising messages a day, advertising expenditure this year will top \$36bn. In the U.K., where the ad saturation is not yet as formidable expenditure is nonetheless rolling smoothly towards £1.5bn.

How much of this money is wisely spent, no-one is sure. Despite the cost of TV commercials—up to £4,500 for a peak time 30-second slot—there is evidence that as many as six out of ten households don't even bother to watch them, which is why a number of agencies and advertisers are expressing great interest in the fact that Newmedia Marketing of the U.S. has just formed a U.K. offshoot in conjunction with Paul Ashby of McKenna International Marketing to operate its advertising service in the U.K.

To put it simply, the Newmedia service advertises ads. As current talks with TV Times succeed, Newmedia will run a special booklet of print ads in TV Times for products advertised in TV commercials. The plan is to encourage viewers to watch the commercials and absorb their sales logic by offer-

ing them prizes in a sweepstake if they successfully complete a questionnaire about the ads.

It sounds simple but in the U.S. where Newmedia this year will do \$10m. worth of business, research shows that consumers' awareness of brands can increase by up to 37 per cent, and sales by up to 35 per cent, where the scheme is used. U.S. advertisers who have used it include Nestle, Quaker, General Foods, Heinz and Lever Brothers.

Newmedia was formed by Tom Hill in 1969. The company was originally known as Shopper's Voice, the name of a magazine made up of nothing but ads that was mailed to millions of homes. The makers of products like Alpo dog food, Ajax and Visine eye drops paid \$500,000 each for a product ad in Shopper's Voice. Opposite each ad was a questionnaire designed to test the reader on how well she was understanding the advertiser's message. When she sent her reply card back she received 100 free trading stamps and a chance in a lottery to win a \$20,000 more.

In January, 1976, the scheme was extended to include TV ads. A new booklet, utilising the print ads and sampling techniques of Shopper's Voice, is run as an insert in TV Guide. To double cash prizes awarded in a \$50,000 sweepstake, entrants must answer a specific question based on each advertisement.

tiser's current TV commercial. The cost of a one-time un-

discounted Newmedia ad in TV Guide is now \$170,000. Newmedia does not run ads from developed advertisers and says that the cost of the scheme pays for itself—and more—in extra users and volume. The TV Guide ads run by Newmedia in the U.S. last May, says Hill, produced entries from 500,000 homes. "And that was just the tip of an iceberg. Our studies indicate that 3m. people answered some of the questions on the card, and millions more read the ads and considered answering but didn't bother to tear out the card, or forgot to mail it, couldn't find a stamp and so on."

In the U.K., the service could begin next spring with clients like Nestle, Procter and Gamble and Colgate paying around £20,000 a time in a novel attempt to increase the awareness and effectiveness of their commercials. Offering housewives prizes in a sweepstake if they read, assimilate and then respond to the blandishments of advertiser's ads may sound like hill-billy bribery, but to Hill and his associates who include John Whitney, former president of the Pathmark Division of Supermarkets General and now chairman of Newmedia, their scheme is merely a logical means of personalising the selling process.

and getting consumers to understand how advertising works. Of print, radio and TV, Hill says: "The basic media used in marketing are now developed and mature. It's time to take another step to account for the cumulative value of these media. It's not good enough to assume that if our message simply comes in contact with the right person that we have scored a hit, directly or subliminally. We must use media more creatively to increase consumer perception and receptivity to a limited number of specific commercials—those of our clients. In the U.S., the Newmedia group of companies is developing an adaptation of Shopper's Voice formula to meet the direct mail programmes of major corporations—in the past two years Toyota has mailed 1,475,000 small cards to make the plan familiar. In the U.K., meantime, a group of agencies and advertisers are anxious to see whether the Newmedia method for advertising TV ads can be as effectively as in the U.S. It seems no reason why not."

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"Barclays is in the front rank of international banking, meeting the most rigorous demands of the world's corporate markets through an unequalled branch network extending over more than 70 countries. In advertising the range and sophistication of our services to senior financial decision makers in these markets, the readership, profile and authority of The Wall Street Journal have impelled its inclusion in our international press schedule."

A300

"Since Airbus Industrie launched its marketing effort in the United States four years ago, The Wall Street Journal has been a key ingredient in our advertising programme, since it is as important to sell those who are influential in the financing of an aircraft purchase as it is to influence those in airline management. Fortunately we cover every key person both in the financial community and the air transport industry with the same advertisements in The Wall Street Journal."

We consider The Wall Street Journal has been a significant factor in Airbus' penetration of the U.S. market. It has helped position the A300 as a significantly advanced aircraft with superior fuel economy, improved passenger comfort and quiet operation to meet present and future environmental standards."

KOCKUMS

"The Kockums Group is a Swedish-based industrial concern that operates in all parts of the world, including the USA. Although we are known primarily as technologically advanced, highly efficient shipbuilders specializing in ULCC's and LNG carriers, we also manufacture a wide range of products for the mining, construction, logging and forest industries, and we are active in the fields of biochemicals and electronics."

Our communications activities are devoted to a number of objectives; our principal aim is to position our company among individuals and groups that are of importance to our global operations. This means that we must rely on influential media, especially since our message is directed exclusively to the world's real opinion molders. For a number of years, The Wall Street Journal has been a natural choice as a medium for our corporate communications. The Journal's integrity and its high standing in the world of business and finance are an integral part of our message and have contributed greatly to our international success."

Vertical text on the right edge of the page, including "The M...", "nderer...", "ating...", "world...", "MARCH...", "FINANCIAL...", "SOL...", "an...", "eally...", "mon...", "OTHER..."

Handwritten signature or mark at the bottom center of the page.

The Marketing Scene

Cinderella's night out

BY MICHAEL THOMPSON-NOEL

AFTER FOUR YEARS on air, Britain's commercial radio network is still a Cinderella medium. It is still a glass slipper—but the search is warming up. Radio's revenue this year is expected to be around £250m. Several of the stations are now making profits or are on the verge of doing so, and as Sir Ian Young, director-general of the IBA, said at this week's Campaign Radio Awards night in London, 1977 will go down as the year when U.K. commercial radio proved it had come of age. It is certainly cost-effective. Figures quoted last week by The Radio Business put radio's cost per 1,000 households at 44p and as low as 17p per 1,000 in Scotland compared with television's 200p.

But there's a long way to go. Other figures produced by The Creative Business show that whereas radio still accounts for only 1.8 per cent. of the total U.K. ad spend, radio's share in other European countries is as follows: Germany, 5 per cent.; Greece, 8.8 per cent.; Spain, 8.8 per cent.; Italy, 9.2 per cent.; and France, 9.3 per cent. In the U.S., advertisers currently spend 10.1 per cent. of their money on radio, and the same is true of Canada.

This year's Radio Awards attracted nearly 700 entries in 12 categories, which at £10 per entry was very nice for someone. The winners:

Consumer Durables: BBDO, Sony HMK 70 Music Centre. Retail Stores: Saatchi and Saatchi, Garland Compton, J. Sainsbury. Food: Collett Dickenson and Pearce, Wall's Pies, Drink: Radio Operators, Brooke Bond Chocolate. Automotive: The Simmons Consultancy, Bosch Spark Plugs. Entertainment / Media: Saatchi and Saatchi, Cosmopolitan Magazine. Travel: Radio Operators, Air India. Financial: CDP, Barclay's Bank. Others: McCann-Erickson, Levi Jeans, Records and Music: Newlands Knight and Round, HMV. Station-produced Commercial: Radio City, Southport Theatre, Station Promotion/Public Service Announcement: Radio City, Sales in Space. Best Use of Music: Woolward Royds, Andrews Liquor Store. Best Use of Humour: BBDO, Sony HMK 70, and CDP Wall's Pies. Best Series of Commercials: Saatchi and Saatchi, Warfield Hi-Fi. Most Outstanding Commercial: BBDO, Sony HMK 70.

Getting better—slowly

BY DAVID BERNSTEIN

MARTIN MAYER in Madison Avenue called radio the "discount house of media." Four years ago U.K. radio advertising launched itself—inevitably, alas—as the low-cost support medium. Ask the average creative director the morning after an awards dinner what he thinks about overall standards of commercials writing and he'll say "appalling."

I asked 21 of them (to get background for last week's Advertising Age conference presentation on radio) and got a very dusty answer. "Fair to doiling, said one, with occasional flashes of mediocrity."

Preparing for the conference heard dozens of tapes from Europe and the U.S. Our standards compare favourably with the rest of Europe which, for a late newcomer, may be considered comforting until you compare Europe with the U.S. From the occasional French U.K. and German spots, things done this side of the Atlantic exploits the full potential of the medium, whereas in the U.S., frontiers are being pushed back with considerable glee.

As a judge for this week's Campaign Radio awards I found a task of shortlisting less than arduous. Any ad which had been time spent on it virtually directed itself from among those omitted. What the unsub-

mitted sounded like. Heaven knows. Any commercial which merely repeats the mass of TV sound tracks and spoken print ads.

It might have been different if, like the rest of the commercial world, we had started with radio. But having learnt TV maybe we thought we knew it all and could therefore take radio in our stride.

In 1955 we tackled the new medium of television with money, application, talent and imagination. In 1977—and to a lesser extent today—we're tackling radio with insufficient money, little application, second-rate talent and hardly any imagination at all. I don't think we've bothered to learn the craft. Worse, I don't think we've realised there is a craft to learn.

Advertising writers are, quite properly, generalists. They should be able to turn their talent to all media. But that doesn't mean that they don't have to learn the strengths of each medium. How can they learn? By working with professionals.

Yet not one agency has to my knowledge employed a radio specialist. Only in the past few months have specialist radio producers been brought in early enough to help create rather than merely execute or in some cases make the best of. It is

Wall's winning bangers

BY PAMELA JUDGE

"I'M MEATY, FRY ME" has carried the "new taste from Wall's" to the top in the first Marketing Awards for Poster Advertising competition sponsored by the Institute of Marketing and British Posters in which entrants were asked to provide evidence of the effective use of posters as part of a total marketing plan.

Well, Wall's sausages were re-launched in October last year and there has been a 21 per cent. year-on-year rise in sales volume; dipsticks show an 11 per cent. rise in awareness of Wall's advertising and a 20 per cent. increase in the areas covered by the poster.

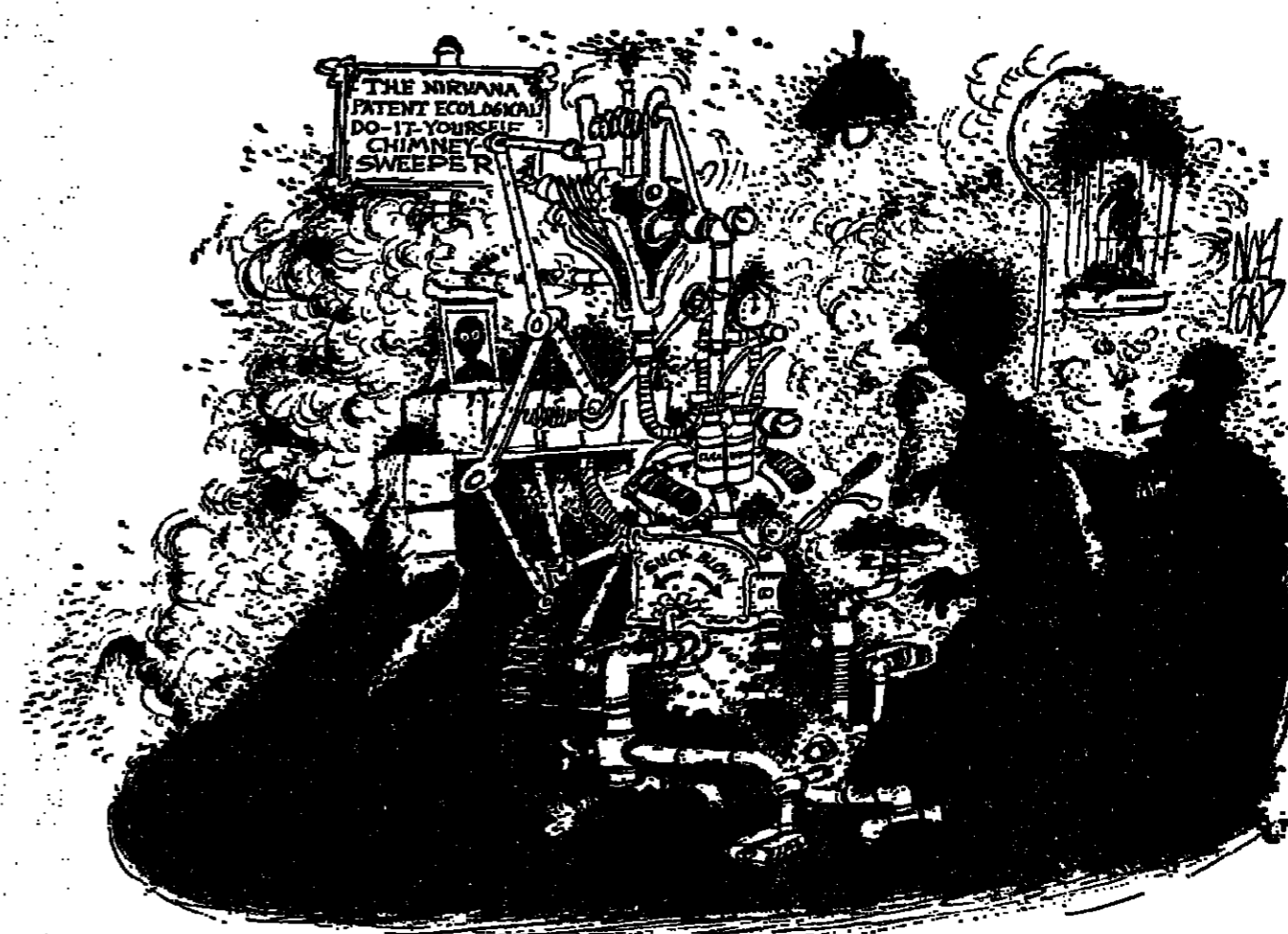
Worth about £220m. a year for 240,000 tons, the sausage market is among the most fragmented in the food sector and while family budgets have been cut, sales of the great British banger show a 12 per cent. rise on the year. Wall's is the only national supplier of sausages, according to Nielsen, but research indicated that while it was the best-known meat company it had no clear-cut product-based lead over newer competitors. In addition, attitudes to sausages were highly conservative and there was distrust that meat might be replaced with soya or that the skins were made of plastic.

Even though bangers are part of the British diet for less than £2m. is spent on promoting them. And while some 70 per cent. of sausages sold in London are branded, only 20 per cent. are in Granada. Hence the re-launch.

The aims included a selective, regional exposure over a concentrated period, high visibility in the media chosen and a move to national coverage if required.

The attractions of posters were that they were affordable and gave use of colour and selectivity of sites, which meant that they were seen at central points every time people went shopping. Radio was chosen as the main support medium since it is relatively low on cost both in production and time. TV was used in London where the 50 per cent. of sales volume justified the high cost.

Going hard for recognition, the company started off with the heavily branded "Stab, one to-night" which rapidly became unacceptable. Of the winning poster, Peter Humphrey, Wall's marketing services manager, says: "When Collett Dickenson Pearce presented it to us there was no deep discussion, no call for research, no request for alternatives—it was immediately obvious what it combined the obvious existing appeal of sausages with a headline that had the right degree of cheekiness to suit the product and ensure memorability. The sheer impact of 48-sheet would do the rest."



For some reason Anglians get through 10% more toilet soap.*

We're washing ourselves in 10% more soap per household than the national average.*
Not only that, our grocer sales per head are the highest in the country.
In 1976, we each spent £16 more than the national average.
And even showed London a clean pair of heels.

ANNUAL GROCER SALES PER HEAD BY NIELSEN REGION—1976

Region	£	%
ANGLIA	£176	6.0
LONDON	£175	24.8
SOUTH	£174	8.1
SCOTLAND	£160	9.6
WALES WEST & WESTWARD	£159	10.0
TYNE TEES	£158	5.3
YORKSHIRE	£153	10.3
MIDLANDS	£150	13.8
LANCAIRESHIRE	£136	12.1
C.B. TOTAL	£160	100

Source: NIELSEN

ANGLIA. JUST ABOVE LONDON AND THE SOUTH.

Anglia Television Ltd. Brook House, Park Lane, London W1Y 4DX. Tel: 01-405 2288. *Source: T.C.A.

A FINANCIAL TIMES SURVEY world press

6 MARCH 1978

The Financial Times is preparing to publish a Survey on World Press. Details of the editorial content will be published shortly, but if you have any immediate queries about advertising rates in this Survey, please contact:

Suzanne Ralph
Financial Times, Bracken House, 10, Cannon Street, London EC4A 3DF. Tel: 243 8000. Ext. 201. Telex: 885033 FINTIM G.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER
The content and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

worth noting that the specialist radio companies with strong writing as well as production talent were well represented among this week's awards.

Of course, compared with television, production costs in radio are disproportionately high. That is as a percentage of the media costs. In straight comparison terms they aren't high at all. But the medium has been sold cheap. Ergo—says the advertiser—production costs must be rock bottom, whereas he should be using some of the media cost savings on getting his message right and ensuring production value. The spokesman of one large agency says this won't happen until agencies get a service fee for radio, on top of the commission.

Another popular criticism of radio advertising is the U.K. obsession with 30-second spots. Radio followed TV in putting the premium on 15 seconds which means that the 30 seconds, since it's not pro rata, is a more economical buy. Eddy Blackwell of Air Services believes the premium should be on 30 seconds, which would make 45 the norm. Sam Rothenstein of Masius feels "we have carried over the 30 second mentality from television and most of our radio advertising is suffering from cramp."

Radio images take longer to establish than television images. Trying to fit a 45 into a 30 results not merely in rush and distortion but in a complete change of character. A difference of degree becomes a difference of kind; try it yourself.

The alternative is simply to avoid situations in radio ads and rely on announcements, and announcements are quite easy to write. On the page they look surprisingly like print ads, which gives the writer the illusion that he understands radio. It is deceptively easy to write a radio commercial that "works." But whereas in television a bad script can't make it to the studio, in radio a bad script will not only make it but will be turned into a cartridge of air that assaults the sensibilities—often in a matter of hours.

If only our creative people, or their bosses, the agency heads, or their bosses, the clients, would pause and listen to the really good radio commercials and try to analyse why they're good, they would appreciate the medium's ability to brand, to talk one-to-one, to take words and music and make the total more than the sum of the parts to harness imagination.

David Bernstein is a director of The Creative Business.

Confusion over quartz

IT WILL BE interesting to see how the new John Cleese TV ads for Accurist wrist watches help sales, for according to a new report by Mintel, Accurist had only an estimated 1 per cent. of the U.K.'s 11m. unit sales last year in a market worth £150m-£160m. at RSP.

Top spot is given to Timex (25 per cent.), which spent an estimated £750,000 on advertising in 1976, followed by Sekonda (8.9 per cent., £300,000), Trafalgar, which concentrated on low-priced own-label watches for companies like Tesco (7.8 per cent., £150,000) and Ingersoll (4.5 per cent., £150,000).

Mintel reckons that despite strong Russian, Japanese and U.S. opposition, Switzerland still accounted for just under half total world watch exports last year, and for 26 per cent. of world sales.

U.K. sales of quartz watches this year are estimated at around 2m. units (Timex and Trafalgar are into quartz in a big way and there are plenty of medium-priced and cheaper models in the shops). But the populace seems thoroughly divided over the proposition that digital faces are more easy to read than conventional ones: in a Mintel survey, 40 per cent. agreed, 29 per cent. disagreed and 31 per cent. didn't know.

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*Family Expenditure Survey 1975

SOUTHERN TELEVISION
For further information contact Brian Henry, Marketing & Sales Director, Southern Television Limited, Glen House, Stag Place, London SW1E 5AX. Telephone: 01-834 4404.

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These are the hallmarks of an ITF exhibition. ITF events reflect industry's needs and can be either small highly specialised events, major public shows, or huge International Exhibitions anywhere in the country. ITF's programme also encompasses British Industrial Exhibitions, organised for the BOTB in many overseas centres, including Caracas, Kuala Lumpur, Jakarta, Shanghai, São Paulo, Peking, Buenos Aires and Bucharest. The next such event will be held in Mexico City in November, 1978.

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Thursday December 8 1977

The crisis at BSC and the Government's delay

By ROY HODSON

A ridiculous surrender

HITACHI'S decision to withdraw its proposal for a TV set factory in the North East is the deplorable and not wholly unexpected result of a sustained lobbying campaign on the part of the domestic manufacturers and their trade unions. Yesterday's announcement leaves open the possibility that Hitachi may renew its application at some future date, but the fact that the Government has apparently surrendered to blatant protectionism from the domestic industry will be seen in Japan as a clear indication of what the official welcome for Japanese inward investment means in practice. There is not much doubt that Japanese companies will be investing in Europe on a considerable scale over the next few years. Hopes of attracting a substantial proportion of it to the U.K. have been severely set back by the Hitachi decision.

Subsidiaries

Because of their technical prowess and scale of production the Japanese TV set manufacturers have won a large share of the world market. Increasingly their sales drive has been reinforced by the establishment of manufacturing subsidiaries in the main markets. In the U.S., for instance, several of the leading companies have built or acquired their own factories: Philips, the largest European company in the field, has done the same. This process of direct investment has begun to take place in Europe. Sony and Matsushita are already making TV sets in South Wales. Their Japanese rivals are almost certain to follow suit, if not in the U.K., then somewhere else in Europe.

This is a normal development in what has become an increasingly international industry. There is considerable inter-trading between countries both in complete sets and in components. Some British manufacturers use a higher proportion of imported components in their sets than, for example, Matsushita uses in some of its U.K.-produced models. Hitachi, if it had gone ahead, had promised to use a substantial proportion of British components.

The national interest in this is two-fold. First, there is a general interest in persuading Japanese companies to invest in this country. They provide a valuable new source of technology, capital and employment; those that are already

established here have proved to be good employers and successful businesses. Secondly, within the TV industry itself, the U.K. needs companies which are internationally competitive and thus offer the prospect of a steady expansion in employment and exports. Hitachi clearly falls into this category, but there is a question mark over some of the smaller British makers. It seems hard to believe that Thorn, one of the strongest companies in the country, cannot compete in TV sets, but, if so, it would do better to concentrate its resources in areas where it can compete.

The anti-Hitachi campaign has been an extraordinary farago of misleading statistics and crude anti-Japanese propaganda. Hitachi executives have been astonished by the virulence of the sentiments expressed. The most ludicrous suggestion, namely offered by the Department of Industry yesterday, was that the industry needed time in which to rationalise itself, and that perhaps Hitachi would like to re-submit its application when the rationalisation had been completed. If the companies they could have done so years ago, the presence of a relatively small Hitachi factory, supplying about 5 per cent of the market, is totally irrelevant in this context.

Strategy

It is an ironic commentary on the so-called industrial strategy that a decisive role in persuading the Government to give in to protectionist pressure has apparently been played by two of the sector working parties. It is well known that the main role of these bodies is to serve as lobbying instruments for the industry concerned, but up to now they have not been noted for getting things done. The National Economic Development Office, which often finds difficulty in explaining the work of the sector working parties, can now point to a concrete achievement: they have protected a domestic industry from a new source of competition and dealt a damaging blow to the Government's stated policy of encouraging inward investment. The Government has shown once again that it is unable to resist a reality determined industrial lobby and in giving way has made itself the laughing stock of the international business community.

HAVING had a good look at the British Steel Corporation crisis the Cabinet does not like what it has seen. Ministers are collectively showing a political instinct to defer a final examination and the consequent decision about what must be done.

Behind the evidence of the corporation's running losses, which are now at a level of £10m a week or more, sensitive political noses have picked up the scent of necessary remedies which, if adopted, must alienate many Government supporters and voters at the next General Election.

The distribution of the nationalised steel industry is such that the Scottish and Welsh electorates will be particularly affronted if old works are closed. If the payroll is trimmed, and if the markers for new and grand steel works that were so freely put down in past years by a number of Ministers are to be disowned.

Mr. Eric Varley, the Industry Secretary, may feel compelled to say something before Christmas. But the basic problem of British Steel will be left to the Government to simmer until the New Year.

Mastery inactivity in the Cabinet room cannot suspend the laws of commerce.

Down in the market place British Steel's managers are struggling to reconcile the output of iron and steel from a great number of heavily manned works with an acute shortage of orders at home and abroad.

Order books are still winding and the next few weeks will see a worsening of the position. With such a surplus of home-produced and imported steel available the steel-using industries are not troubling to place orders for their needs as far ahead as is their usual trading practice. An almost complete trading pause is expected from the middle of December to the end of the first week in January.

As order books get smaller British Steel is having to cut its production to match. No longer is money available to finance stocks of unsold steel at the works.



Sir Charles Villiers, chairman of BSC.

works falls their fixed costs are remaining approximately the same. Consequently the cost per tonne of steel made is rising. That fact of life is presenting British Steel with a dilemma in the present price-sensitive market.

The management of British Steel finds itself in a desperately difficult situation while talks about the future of the industry with the Government and the unions continue, and while the Cabinet holds its fire. The corporation is not a free agent because it has to work within three Government-imposed constraints, none of which will be lifted until the Government decides upon a new strategy for the industry.

First, the corporation's borrowing limit of £950m, which was set by the Treasury for this financial year must not be ex-

ceeded. Indeed British Steel is itself determined to keep within the limit. It provides a useful lever for enforcing economies throughout the organisation.

Secondly, no old or loss-making works can be closed unless the agreement of the work-force can be secured to accept redundancy payments by compensation cushions.

Thirdly, there can be no programme of enforced redundancies among the 206,000 work-force. Over-manning was estimated at somewhere between 40,000 and 60,000 employees even before the crisis. If effi-

ciency were the only aim, the corporation could comfortably shed even more jobs than that now because of the low tonnages of steel being made and because of the lack of reliable forecasts that the market will improve significantly during the next two years.

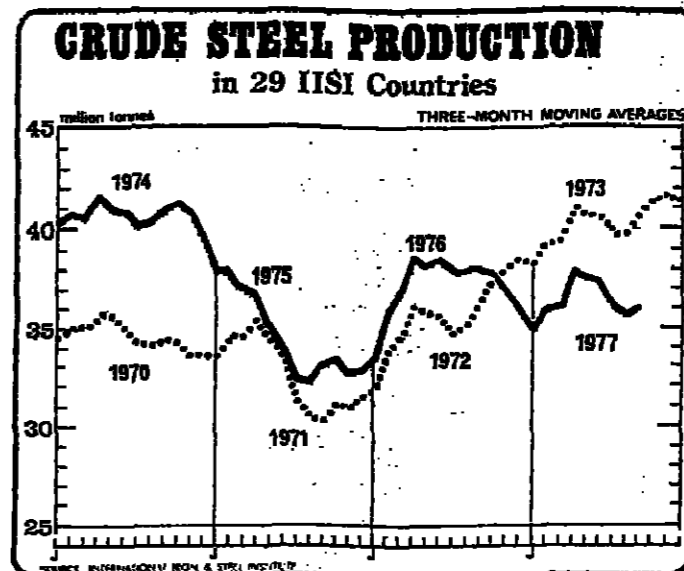
Within those constraints British Steel has begun other courses of action open to a management which has to do its best to minimise losses.

One initiative was started in the late summer when local managers of works, acting on the advice of the central management at Grosvenor Place in London, began seeking plant level agreements for voluntary redundancies. The policy had some success in Wales, the Midlands, and Scotland. In spite of exhortations from some of their national union leaders to "stand-fast," nearly 2,000 employees decided to take the money and go.

But the very success of the Clyde Iron case, where the closure of the whole works was negotiated, has proved to be self-defeating for British Steel. The 800 men of that old works decided to agree to its closure in return for payments for redundancy and compensation, and payment in lieu of notice amounting to individual lump sums of up to £5,000. The news spread fast. Now workers at several other old plants are showing a reluctance to accept redundancy payments and go in the hope that they too may secure compensation in return for complete early closures of their works.

Clearly it will be much more difficult to arrange for complete closures than for a steady stream of voluntary redundancies.

At East Moors works, Cardiff, which is scheduled for closure in 1980, the workforce was slimmed down from more than 4,000 to 3,200 by a combination of natural wastage and voluntary redundancy. But now the remaining workers are showing a reluctance to leave. The men



touch of a switch. It has to be taken through a form of learning process for men and machines alike. One management worry is that the best British plants for making bulk steel such as Llanwern, Scunthorpe, Ravenscraig, and Teesside, have been running at far below their theoretical capacity for so long that they may not respond quickly or adequately to extra loadings.

During the next few weeks British Steel management will be closely monitoring the performance of the low-cost plants to see whether they can live up to the production performances expected of them.

Beyond preferential loading there is one more step that British Steel can take to cut down the costs of its present system of works. It can order a series of production pauses during which works will not make steel and overheads on fuel and power can be cut.

By closing works for two weeks over Christmas instead of one week a first production pause is being obtained. Unless order books improve it is clear that a second production pause will be needed during the first half of next year. The corporation may only work 48 weeks during the current financial year instead of the traditional average (there are variations between regions) of 51 weeks.

The long-term impact of the steel recession upon the size and shape of British Steel's workforce is not assessed with any accuracy at this stage. But the longer that steelmaking plants stand idle the poorer is the case for ever putting it back into use. Already the Japanese surplus products sector than any other plant as good as the best being

REGIONAL STEEL OUTPUT

Weekly Average in tonnes January to October

Region	1977	1976
Northern Region	59,300	64,500
Yorks and Humberside	131,200	144,100
East Midlands	15,100	17,700
Wales	118,600	120,800
West Midlands	29,100	29,800
North West	3,700	3,800
Scotland	37,500	37,600

of the major steelmaking categories. In Wales, where most of British Steel's strip production is concentrated, preferential plant loading will mean, in practice, trying to maximise production at the Llanwern works at the expense of Port Talbot and Shotton.

The savings could be substantial if Llanwern proves up to its task. Up to £10 could be saved on each tonne of steel produced. British Steel is facing sheet steel imports priced at £25 a tonne below the corporation's published prices. But no steelworks produces substantial extra tonnages at

operated in Britain, and the do not expect some of it to work again.

Labour forces also suffer a recession. British Steel recognises that continuity of training, and production and management experience, can easily be lost in works where voluntary redundancy is a

A lot of new steelmaking plant is at present under construction in Britain. The extra capacity may be more than offset by the run-down of old plants during the recession. Market forces are forcing the Cabinet's work for

When the money poured in

IT WAS at the end of July that the Government decided to peg the exchange rate against currencies in general rather than against the dollar alone, and at the end of October that it decided to let the exchange rate float. The third quarter does not coincide precisely, therefore, with the period when foreign funds were pouring into the country at a pace which made control of the domestic money supply increasingly difficult. But the combination of a weak dollar and a current account surplus on the balance of payments for the first time in more than five years had a sufficiently dramatic effect even in this period. The surplus on current and capital accounts together shot up from £905m in the second quarter to £2,620m in the third.

The performance of visible trade has already been catalogued in the monthly trade returns: the deficit fell from £288m to £50m. If special factors and lumpy items are excluded, however, the improvement between the two quarters is reduced to about £200m. Although the volume of exports rose by 21 per cent, moreover, average export prices rose by about the same amount and the competitiveness of U.K. exports may have been reduced—though their share of world trade seems to have risen well. Trade figures since the end of the quarter suggest that our rising tendency to import may prove troublesome as demand revives next year.

Invisibles

Invisible earnings, an estimate of which is included with the monthly trade returns, turn out to have been slightly disappointing. They are thought to have been rather better in the third than in the second quarter, but the second quarter figure has been revised down. Atwards, the third-quarter surplus is now thought to have been £448m, against the £535m. esti-

mate included with recent trade returns. The travel account was buoyant, earnings from financial services increased, and net Government payments of interest were held down by earnings on the increase in the reserves. But private sector earnings abroad remained depressed, presumably because of the level of world business activity and the general squeeze on profits: net third-quarter income from this source amounted to £231m against £534m in the same period of last year.

It is the movements on capital account during the third quarter however, which are particularly spectacular. The total identified surplus on capital account rose from £339m to £1,370m, and the balancing item of unidentified transactions remained positive and high at £708m. A large part of this surplus has been invested in liquid form. Foreign investors have increased their holdings of money market assets as well as gilt-edged and company securities. At the same time, U.K. companies have reduced their overseas debt and there has been a net unwinding of export credit extended abroad.

Volatility

Quite apart from the question of long-term debt repayments, therefore, one must reckon that a sizeable part of our present record official reserves of foreign exchange is the counterpart of money which could rapidly be withdrawn if foreign confidence in the progress of the U.K. economy were to falter or the dollar were to stage a recovery. Sales of gilt-edged stock to foreigners this year have amounted to over £600m. They have increased their liquid sterling assets by £370m. The balancing item has gone up by £2.2bn. All in all, therefore, at least one-fifth of our total reserves could disappear quickly if circumstances were to change.

MEN AND MATTERS

Of queens and emperors

Before reading this item, keen British royalists are advised to take a deep breath. Robert Galley, the minister who represented France at Emperor Bokasso's self-coronation in Bangui was asked on the wireless what he thought of the function. He responded: "Personally, I find it absolutely abnormal to criticise what happened in Bangui and to applaud the jubilee celebrations for the Queen of England. That looks like racialism."

In Galley's defence it may be said that he is Minister for Co-operation, roughly equivalent to our Minister of Overseas Development, so he was doubtless trying hard to avoid giving offence. Except to us. Perhaps.

Von Karajan's sour note

Herbert Von Karajan is currently about as popular with Italian opera lovers as Baron Scarpia was with Tosca, thanks to a tangled legal battle which has prevented the TV transmission world-wide of La Scala's bi-centennial year production of Verdi's Don Carlos.

Paolo Grassi, a former director of La Scala and now head of the Italian State TV network, originally planned to televise last night's opening of La Scala and the lavish, four-and-a-half-hour production and transmit it world-wide through the "Mondovision" syndication network.

But the plan came unstuck thanks to fierce opposition from Von Karajan. The temperamental maestro was not personally involved in the production but several of the opera's cast are under contract to a Bavarian musical production group, called Untel, in which Von Karajan is under-

stood to have an interest. Untel intends to produce a film version of the Verdi drama to be conducted by Karajan himself and was clearly not amused at the thought of the La Scala version pre-empting it world-wide.

At this stage Von Karajan appears to have won and what was to have been a TV spectacular for the world will now be enjoyed exclusively by those packed into La Scala itself and radio listeners within reach of the Italian equivalent of Radio Four.

It was, Grassi commented bitterly, nice of Von Karajan to allow Italy's favourite opera house to produce one of Italy's most celebrated operas and to broadcast it to an Italian audience.

As for the Mondovision performance, it will now be transmitted, in colour, in the New Year, but with different artists to replace those under the Bavarian contract.

Bar spirits

T. Tyndale Daniell, a 29-year-old barrister, has just flown back from the U.S. bubbling with confidence that his "impossible project" may come true. He is the administrator of the scheme to bring back to London the 17th century Temple Bar gateway, now standing abandoned in a Hertfordshire park. Daniell has spent five months in the U.S., travelling 35,000 miles to raise money from lawyers there. The Temple Bar Trust now has £70,000 in cash, an equal amount pledged, and a great deal more to come," as Daniell told me yesterday.

It is likely to cost £500,000 to restore Temple Bar—though to be an early work by Sir Christopher Wren—and set it beside St. Paul's. But Daniell and Sir Hugh Wontner, fund-raising schemes is one for speaking for the Temple Bar Trust, are convinced that the Bar will come back soon. The



... Miss Sweden became Miss World. Sadat has been to Israel, the firemen are on strike ...

American Bar Association aims to raise \$500,000 by August next year: 1978 is the centenary of the gateway's removal from its original site by the Law Courts, as well as the centenary year of the American Bar Association.

Daniell has been showing at legal luncheons in America a film about Temple Bar, with an introduction by Lord Denning, complete with wig and gown. He also took with him a stone lion from the gateway as tangible evidence. Lord Widgery, the Chief Justice, has lent his aid for raising American interest.

Next month, Charles A. Bane, chairman of the U.S. campaign, will be coming over to coordinate plans for the next phase of fund-raising among multinational companies. British-based companies will be encouraged (for tax-deductible reasons) to make their contributions in the U.S. Among the fund-raising schemes is one for ex-Lord Mayor Wontner to fly there to Las Vegas and "go on stage" there to address fellow-hotellers.

THE INDUSTRY BUILDERS

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Reduced to mink?

This morning the followers of an 80-year-old sport will hold a sad meeting at the Westminster offices of the British Field Sports Society. By a complete coincidence, the annual general meeting of the Master of Otter Hounds Association takes place right after the failure of a last-ditch bid to stop their quarry becoming a protected animal throughout England and Wales. The three-hour debate in the Lords on Tuesday night ended with the defeat of Lord Cranbrook's motion by 53-37. There is now the prospect that the otter-hunters will be reduced to chasing mink, which farmers regard as vermin.

If they do decide to go on hunting otters, they will face the humiliating prospect of legal actions by the League Against Cruel Sports.

Postman's knock

Last week, I told of the verbal war between Keele University and the Post Office, over the latter's plans to introduce a £4,500-a-year charge for mail deliveries to private houses on the campus. This week the Post Office says it is shelving the whole idea.

Observer

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John P. ...

Comments upon a commentator

BY THE RT. HON. LORD BARBER



Lord Barber

Leonard Burt

IT IS not unknown for a politician to publish a selection of his past speeches—generally conveniently omitting those which events have proved to be somewhat wide of the mark. But it is surely a rare event for an economic commentator, not merely to offer a reprint of his commentaries on the issues of the day then current as they actually appeared at the time, but also to look back with the wisdom of hindsight and to tell the reader of those instances where he now considers he was wrong.

The Sam Brittan has done in his latest book "which makes fascinating reading for anyone who was concerned with the events of the 1970s. Both the Conservative and Labour governments come in for much criticism but, whether one considers it to be well founded or not, it is easy to take because Mr. Brittan, while he has his obsessions like any other economist, has always written with intellectual honesty and without fear or favour.

Although I think that he is not always fair to the "official Treasury," by and large he does not fall into the error of some of his professional colleagues who tend to take "the Treasury" or "the Bank" to task for policies which are, without doubt, the policies of Ministers.

The level of public expenditure, about which Mr. Brittan rightly has much to say, is a case in point. In terms of public expenditure as a proportion of GDP, there is no doubt that the record of the Conservative Government was very much better than that of the present Government. Nevertheless, it is certainly the view of the Treasury (and, I might add, my-

self) that the level of public expenditure was too high. It has sometimes been put to me that, if a Chancellor is unsuccessful in opposing major increases in public expenditure, he should resign. My answer is two-fold. First, if that were the routine, I suspect that every Chancellor would have rendered his resignation. No doubt one's resignation is good for a politician's image, but in the circumstances of a difficult economic situation, it is hardly in the national interest to announce to the world that "the spenders have won."

The second reason is that the Chancellor's colleagues are repeatedly having to conform with his requests on individual items with which they, in their turn, profoundly disagree, and certainly during the Heath administration they did so with absolute loyalty. (If my recollection serves me right, the suggestion that Mrs. Thatcher should withdraw free milk from certain school children was not unconnected with the Treasury. She never blamed me.) Perhaps I can say in passing that one of my abiding recollections of the Heath administration was the loyalty of that Cabinet.

If I have any quarrel with Mr. Brittan—and with economic commentators in general—it is that they sometimes concentrate on the near perfect solution and pay insufficient attention to the hard reality of economic pressures—but maybe that is their proper function. I will remember, for instance, agreeing to a temporary subsidy of £15m. to hold down the mortgage interest rate for three months. With the passage of time, perhaps I can now say that I warned my colleagues of the folly of subsidising a particular interest rate, but my view did not prevail—for perhaps understandable reasons.

Or take another example. When I introduced VAT, I zero rated children's clothing at a cost of some £50m. Bearing in mind that VAT (like Purchase Tax) was to be levied on a whole variety of essentials, there was absolutely no justification for that exemption apart from a misguided but massive national campaign in the popular Press, the apprehension of Government supporters about the introduction of what they conceived to be an unpopular tax, and the obvious need to give VAT the best possible send-off.

I might mention here that my fundamental reason for introducing VAT was not related to our membership of the EEC. I have no doubt that my two principal EEC colleagues, M. Giscard d'Estaing and Herr Helmut Schmidt, would have agreed to deferment. I was determined to get VAT on to the Statute Book for one overriding reason, that although I had made big reductions in income-tax, I could see VAT as the only means whereby those who were to follow me could make further substantial cuts in the burden of direct personal taxation. My heart sank when Mr. Healey cut VAT and increased income-tax.

Mr. Brittan tells how he switched from being "a demand expansionist" to being "a believer in stable monetary fiscal guide lines." I hope he would nevertheless agree that the long-term objective of economic policy must be to raise our rate of growth, which necessarily requires expansion of demand, profits and invest-

ment, together with effective control of the money supply. He rightly points to the fact that, for a period during the Conservative Government, the growth of the money supply was allowed to rise too fast, but I do not think he would join those who have grossly oversimplified the events of that period by asserting that we were obsessed by Keynesian doctrine and that we ignored the trend of monetary policy.

An objective appraisal of that period must take into account not only the problem of the level of interest rates in the particular circumstances of that time, but also the unique difficulty with which we were faced following the introduction of "Competition and Credit Control." This was a major change, which was applauded by so-called "right wing" economists, and its purpose was to instil greater competition and innovation into the banking system. But one consequence of the new system was that the figures for M3 were grossly distorted by arbitrage operations, and that for a time it was genuinely difficult to form a reliable judgment of the real trend of the money supply.

But, whatever error those of us primarily responsible may have made, history will establish that it is nonsense to pretend that this was the main cause of the general price explosion which the U.K. suffered in 1975 and 1976. Quite apart from the general increase of commodity prices, and in particular the fourfold increase of oil prices, I do not forget the disastrous way in which senior members of the Labour Party encouraged the National Union of Mine-workers to pursue their claim to the full. (Mr. Callaghan: "The

Labour Party back the miners all the way.") It was patently clear to anyone engaged in industry and commerce that the politically motivated wage explosion of 1974 fuelled the price explosion which was to follow.

And it should not be forgotten that, only weeks before we left office, the Cabinet agreed to the largest reduction of public expenditure for a succeeding year which has ever been made, in both absolute and relative terms. Much of this was irresponsibly reversed by the new Government, with the inevitable consequences for inflation and the increases in income tax.

Mr. Brittan has long been an advocate of floating exchange rates and he expresses regret that I did not float sterling earlier. Looking back, I think he may be right. But just as the realities of democratic life at home sometimes prevent one from doing what one knows to be right, so I have to say that it would not, in fact, have been a practical proposition to take such action earlier because of the general approach of our friends overseas—particularly in the EEC. The decision to float sterling was taken on a Thursday. In the days which preceded the decision, the intervention to defend the rate had been costly to the reserves, and it was clear that, with rumours of a step change in the

rate coming over the week-end, when the markets would be closed, we should have had to dip into the reserves far more deeply on the Friday. That I was not prepared to do.

The Governor was abroad, and opinion within the Treasury was divided as to whether we should float or announce a straight devaluation. I walked over to No. 10 and told the Prime Minister that I had no doubt that it was right to float. Sir Douglas Allen, the Permanent Secretary to the Treasury, came over shortly afterwards. If we were to move, we had to do so quickly, for messages had to be despatched throughout the world. I always thought that this was a good instance of the decisiveness of Mr. Heath. He agreed that there was no time to call a Cabinet. We had to decide and to act, which we did. Later that evening I gave an explanation to an informal gathering of senior Ministers, and they all accepted what we had done.

Mr. Brittan quotes an article which he wrote towards the end of 1972, in which he applauded the wage-price freeze under the heading "Why Mr. Heath's policy is right at last." He comments to-day that that article was "probably the most misguided that (he) ever wrote."

Whether or not the particular brand of incomes policy which we developed was appropriate for the circumstances of the time, what one can say, looking back, is that in the many hours which some of us spent together with the leading lights of the TUC we had an excellent personal relationship. To a considerable extent that was due to Mr. Feather, then general secretary of the TUC. It was never quite the same with Mr. Murray. And by the way, it is not true, as has often been repeated—not by Mr. Brittan—that I consulted no one about the TUC's proposal at NEDC that if the Coal Board would give the miners the cash, other unions would not use the miners' case as an argument in other claims. In fact, I talked to the Prime Minister on the telephone. Perhaps nobody knew because I used the simple device of telephoning No. 10 on an outside line.

But to return to relations between the Government and the TUC. One thing is clear to me. In what Mr. Brittan calls "the greatest sacred cow of all—unfettered representative democracy," any Government must try to work with the TUC. The idea that monetary discipline alone will bring people to their senses is a non-starter in a democracy—even a fettered one. To work with the TUC, the CBI and other important groups does not necessarily involve the creation of a corporate state. It does not inevitably lead to the Government abdicating its responsibility.

The Crown Agents

From the Managing Director, *Smith Power Control*.
Sir—This country seems determined to commit commercial suicide. We have the extraordinary behaviour of the out-letters' union at Swan Hunter, who have the biggest part of our motor industry bleeding to death from self-inflicted wounds. We have the sorry story of British Steel, and now the Crown Agents' main function, reading a loss of confidence among its customers which may cause them to look elsewhere to place their business, and elsewhere may not necessarily be in this country.

Cannot the media's predilection for self-righteousness be channelled into areas which can do us no economic damage?
H. Pogmore,
The Zenith Electric Company,
Wandford Road,
Wandsworth, Milton Keynes.

Two classes of workers

From the Chairman, *Committee of Independent Companies*.
Sir—The Secretary of State for Employment has stated that he does not intend to create two classes of workers through relief to small businesses from those parts of the Employment Protection Act known to deter employers from taking on more people.

The problem was also recognised by Mr. Harold Lever at Lambeth when he was reported on November 26 as telling a small firms' audience that he had in mind free legal aid as the remedy.
No employer seeks to opt out of his responsibilities, but, quite naturally, the nature of their business is such that their time is not at risk in lengthy preparation for tribunals, whether paid legal advice is available or not. Were protection to begin after three months instead of the present six and only for frivolous claims to carry a penalty, the position would be used considerably.
In the meantime there already are two classes of workers; those a work and those kept unemployed by certain aspects of the Act. The Secretary of State would do well to recognise this act.
Charles Simeons,
1, Ludlow Avenue,
Ton, Beds.

Liberty and licence

From Lord Robertson.
Sir—Even if one believed, as the cinema editor of *Weekend Express* (December 2) appears to believe, that opposition to unlimited pornography was just a question of seeking "to dictate law, where and when others would not," pornography affects not only the filmmaker, reader, etc. but also those involved in its

Letters to the Editor

making, whether the producers themselves or those whom they use. One especially thinks of the pressures on young actors and actresses and of the growing exploitation of children to take part, sometimes unwittingly, in the production of pornographic material. Furthermore, the researches of Dr. John Court have provided strong evidence that there is a relationship between the incidence of laws on pornography and incidence of sexual crimes. Let us not be under a misconception, this is an industry which brings widespread dangers and bitter unhappiness.

Cycling in the living room

From Mr. J. Morris.
Sir—May I advise Mr. Doe (December 3) that the best way to obtain the benefits of "cycling" indoors is by using a set of training rollers, and that these are obtainable through any cycle dealer or stocks racing equipment for about £30—or he could try the second-hand columns in a cycling magazine, or one of the big importers. One puts one's bike on this rolling device, clamps on via a chair, and after a wobble or two, one is cycling in the living-room. Extra friction is unnecessary—that between the tyres and the rollers, of the wheels turning fast in still air, and last but not least, in the rider's legs—is quite sufficient. I find that a stint listening to the 6 o'clock news is suitable, and I can assure Mr. Doe that after 20 minutes he will know he has taken exercise.

The pattern of exhibitions

From The Secretary-General, *Committee for European Construction Equipment*.
Sir—With regard to Contractors Mechanical Plant Engineers (November 26) made a number of wrong assertions about the part played by the Federation of Manufacturers of Construction Equipment and Cranes (FMCEC) concerning the future arrangements for BAUMA, EXPOMAT and the Public Works Exhibition. It may be that a wrong impression was created by the use of the word "boycott" in your industrial correspondent's article of November 16: as there is no intention on the part of manufacturers of construction equipment to boycott any international exhibition, their decisions as to participation are based on commercial viability.

Free collective bargaining

From Mr. A. Ashfield.
Sir—In your issue of December 1, I notice that your Lobby Editor, Mr. Richard Evans, suggests that the Chancellor might be examining a return to a more structured pay policy. It does not surprise me that in this chaotic wage era, Mr. Healey is tempted to seek ways of lowering the pressure on wages. But all his efforts in this direction, short of outright legislation, must fail for the following reasons.
Over the years, Government has initiated and encouraged wage board awards and other means, mass workers' agreements whose profound impact on

Letters to the Editor

there are many local exhibitions of construction equipment which offer potential buyers opportunities of up-dating their knowledge of what is available. It must be remembered, however, that in Britain as in Europe, home demand for construction equipment has fallen over the past years and all manufacturers are being forced to increase their export activities. Not all buyers wish to come to the U.K. and therefore manufacturers must participate in wage-free major overseas exhibitions, not just BAUMA and EXPOMAT.

Metric nuts and bolts

From the chairman, *Archie Kidd*.
Sir—The attitude of Mr. Alex Laker of GKN Fasteners (Page 8, November 23) calling for legislation to force manufacturers to adopt metric industrial fasteners makes me wonder how many of his fasteners are made in the U.K.—as frequently as every two years. In this context it should be remembered that the American industry long ago decided to reduce the frequency of CONEXPO to every six years and their manufacturers and plant buyers do not appear to have suffered as a result.
D. R. Barrwell,
c/o FMCEC,
8, St. Bride Street, E.C.4.

A bridge too far

From Mr. R. Ford.
Sir—The recent White Paper replying to the Select Committee report on British Rail says that the expected growing scarcity and rising cost of oil plus long term energy prospects generally, must be taken into account when the justification for further railway electrification projects is considered and that greater reliance will need to be placed on sources of energy other than oil. Yet your report (Nov. 6) on proposals for a second Severn road bridge would appear to indicate that the Department of Transport is also assuming a growing dependence on oil by increasing road traffic. Do the extrapolations of traffic using the existing Severn Bridge which indicate hold-ups of more than an hour nearly every other day by 1980 and chaos by the time the new bridge could be completed in 2006, take into account the effect of rising oil prices on road transport? According to your report of the Energy Department's forecasts (Nov. 23) sometime between 1980 and 2005 North Sea oil production will start to decline and Britain will become a net importer of crude—if there is crude available and if we can afford it. Thus the new bridge could be opened at a cost of millions just as the energy crisis takes away the traffic which justified it. This highlights the problem which the uncertainty surrounding future energy supplies presents to government. Should it be pessimistic, not build the bridge and perhaps have day long traffic jams in 20 years time and find that it has a useless asset, the investment in which could have been put to better use elsewhere?

Enforcing pay policy

From Mr. A. Ferguson.
Sir—If the Government taxed firms on amounts paid to their employees in excess of an incomes policy, then the matter would come under the scrutiny of their auditors. These eagle-eyed people would probably have a more restraining influence on the firms' pay policy makers than any government department could ever hope for.
There is one added advantage that this would not be a cost to public funds—perhaps even the reverse, unless non-compliance with pay policies was taxed at really penal rates.
A. I. Ferguson,
4, Burns Court,
Hocklin Street,
Drury Lane, W.C.2.

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Supplementary benefits

From Ruth Lister.
Sir—I would like to thank Joe Rogaly for his sympathetic article on Child Poverty Action Group's evidence to the Supplementary Benefits Commission (2 December). I would also like to answer the question he raises in it as to why I argue that pressure to limit proposals for change to those that do not involve extra public expenditure should be resisted.

The reason is quite simply that effective reform of the supplementary benefits scheme is impossible without (a) reducing the numbers entitled to depend on supplementary benefit by improving other social security provision and (b) increasing the supplementary benefits scale rates so as to obviate the need for the current over-reliance on the supplementary grant to meet claimants' basic needs.

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To-day's Events

GENERAL
Cabinet to review form of inquiry into Crown Agents' losses in property speculation and secondary banking.
National Union of Mineworkers executive meets.
NATO Foreign Ministers begin two-day meeting, Brussels.
Mr. Roy Hattersley, Prices Secretary, addresses European League for Economic Co-operation conference on "The Consumers' Voice in Europe," Cafe Royal, W.1.
Sir Jasper Holroyd, deputy-governor, Bank of England, is guest speaker at Brazilian Chamber of Commerce lunch, Quaglinos, W.1.
PARLIAMENTARY BUSINESS
House of Commons: Motions on

To-day's Events

Northern Ireland Orders on emergency provisions and criminal law; and on appropriation, electricity service, rates, agricultural wages, supplementary benefits and road races.
House of Lords: Various Northern Ireland Orders, Finance Bill, second reading. Debate on Highlands and Islands airports.
Select Committee: Science and Technology (general purposes sub-committee). Subject: Durability of electric lamps. Witnesses: Thorn Lighting Industries (4 p.m. Room 16).

OFFICIAL STATISTICS

Construction output (3rd quarter).
COMPANY RESULTS
J. Lyons and Co. (half-year), Phillips Lamps Holdings (half-year).
COMPANY MEETINGS
Allied London Properties, Inn on the Park, W. 12, Boulton (William), Stoke on Trent, 12, Gomme Holdings, High Wycombe, 11, Hunt and Moscrop (Myddleton), Manchester, 12, London Scottish Finance Corporation, Manchester, 11,30, 1, W.T. South Bank TV Centre, Kent House, S.E. 12, 30, Smart (J.), (Contractors), Edinburgh, 12, Thorpe (F. W.), Birmingham, 3, 13, Talbot, Abercrombie Rooms, E.C. 12, Westward TV, Plymouth, 2,30.



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COMPANY NEWS + COMMENT

Pilkington just ahead to £29.6m. halfway

ON SALES ahead from £10.4m. to £22.7m. trading profits of Pilkington Brothers for the half year to October 1, 1977 show an increase from £15.5m. to £17.1m. and pre-tax profits advanced from £27.6m. to £29.6m.

Trading conditions have remained dull in almost all countries and are unlikely to change much in the second half, say the directors.

The small increase in trading profits for the half-year reflects the lack of buoyancy in most of the group's markets.

Strengthening of the pound has created an exchange loss of £600,000 in comparison with the gain of £500,000 a year ago when the pound was weakening.

The group's recent major investments in the float glass plants of Sweden and South Africa have not yet reached their profit earning potential although the directors are well pleased with their manufacturing performance.

An analysis of sales and trading profit shows U.K. £14.5m. (£10.7m.) and £10.2m. (£9.2m.) and overseas £10.0m. (£10.0m.) and £8.9m. (£8.3m.). Inter-group sales came to £24.4m. (£18.8m.).

Earnings are shown to be up from 20.5p to 22.5p per £1 share and the first interim dividend is lifted from 5.110p to 5.782p net. Last year's total was 10.482p and pre-tax profits were a record £25.7m.

Company	Page	Col.	Company	Page	Col.
Armitage Shanks	25	4	Northern Foods	25	4
Bird & Co.	25	5	NSS Newsagents	22	3
Burton	25	1	Phoenix Assce.	22	7
Coalite & Chemical	22	7	Pilkington Bros.	22	1
Devenish (J. & A.)	24	7	Ransome Hoffmann	24	5
Enalox Plastics	24	7	Russell Bros.	24	6
English Card	25	5	Tumbull Scott	25	3
Glenmurray Inv.	22	4	Victoria Carpet	24	8
Hanson Trust	24	5	Wagon Indl.	24	8
Hensher	24	7	Whessoe	22	3
Leaderfish	24	6	Wheway Watson	22	8
Levers Optical	24	8	Williams (John)	22	2
Malton Trust	24	8	Yorkgreen	22	5

Record £0.91m. for J. Williams

ON TURNOVER ahead from £18.67m. to £18.4m. taxable profits of John Williams of Cardiff was boosted from £24,599 to a record £910,814 in the year to September 30, 1977.

The company is also proposing a three-for-eight rights issue at 30p per £1 share, to strengthen the company's capital base and reduce its debt/equity ratio to allow expansion of group activities.

At halfway profit was up from £231,000 to £375,000, and the final dividend is up from 1.3p to 1.39p, lifting the total from 1.97p to 2.19p. Dividends totalling 2.75p on the rights issue increased capital have been approved by Treasury for 1977-78.

1977	1976
Sales	18,670
Overseas	143.1
Inter-group	22.7
Trading profits	17.1
Overseas	10.2
Losses	1.9
Net interest	3.0
Pre-tax profits	24.6
Tax	14.7
Minorities	1.6
Extraordinary	1.5
Attributable	10.4
Retained	18.8

While John Williams of Cardiff's 10 per cent. rise in sales reflects static volume in steel service centres and architectural products, and a small rise in the foundry division, profits increased by more than a fifth. This was achieved mainly through increased productivity by a slightly smaller labour force, concentration on more saleable (and profitable) products and selling windows direct to the public rather than through wholesalers. The company has found itself benefiting from the trend away from petrol to diesel engines, since the foundry division specialises in ductile iron used in diesel engine castings. It is in this division that most of the £0.37m. rights proceeds—in addition to the £1m. from the WPA and £0.8m. in grants—will be used to double

branches were sold or closed, add the directors, resulting in a charge of £80,000 for losses on disposal of assets. In addition, 88 established businesses were purchased and six new shops opened.

The directors have taken the view that corporation tax relief on stock is unlikely to be repayable and in accordance with the Accounting Bodies' recommendation, comparative figures for 1975-76 have been restated.

Expansion by NSS Newsagents

ARISING FROM improved margins and greater efficiency as a result of expansion and reorganisation, pre-tax profits of NSS Newsagents expanded 33.4 per cent. to a record £1,164,000 for the 52 weeks to October 2, 1977, compared with £2,371,000 for the previous 52 weeks on sales increased 19.6 per cent. to £47,000.

At midway, the surplus was ahead at £1.6m. against £1.1m.

Sales growth continues despite disruptions in the supplies of some national daily newspapers and an intensification of price cutting of cigarettes, state the directors. The new duty structure for tobacco, effective from January 4, will change the pattern of sales but the effect on sales and profits cannot be estimated, they say.

Nevertheless, a very strong cash position enables the directors to continue expansion with greater emphasis on larger town centre stores. Although in the early stages these contribute little to profits, the directors believe the long term benefits are considerable and are therefore confident of further growth.

After tax of £1.39m. (£1.1m.) net profit for the year was up from £1,200m. to £1,78m., representing higher earnings of 10.51p (7.44p) per 10p share. A final dividend of 1.423p lifts the total to 2.123p (1.900p) net, absorbing £338,000 (£320,000).

During the year extensions and refits helped to improve the sales mix, while some unprofitable

Revenue for the year ended October 31, 1977 of Glenmurray Investment Trust advanced from £143,137 to £179,807, subject to tax of £76,226 against £90,374.

Available revenue increased from £28,788 to £108,891, giving earnings 1.77p (1.45p) per 25p share and 1.88p (1.34p) assuming full conversion of the "B" Ordinary shares.

A final dividend of 1p net raises the total to 1.7p (1.45p) and an interim of 0.75p (0.7p) is proposed for the current year.

"B" shareholders will receive capitalisation issue in "B" shares equivalent in asset value to the recommended final and interim dividend, but excluding any tax credit thereon. After payments totalling £98,463 (£78,346) balance of revenue retained was £21.6 (£4.17).

At the year end, net assets rose by 21 per cent. from 78.1p to 92.1p.

Whessoe's trading profits rose by 9 per cent. as turnover increased by 20 per cent. The group's major plants (storage tanks, heat exchangers, etc.) and related fittings for process industries and competition for work has been intense—leading margins have fallen a point. Heavy engineering profits, however, rose by 22 per cent., thanks, partly, to favourable timing in the completion of contracts and a good performance from the Sea all products (modules, platform jackets) although demand has slipped recently. Most pressure has been on light engineering (level gauges and the like) storage tanks and sea tankers) with a considerable drop in demand from the marine side—the year-end. Against this, the heavy side has been steadily picking up new orders which should help smooth over any hiccup in N. Sea demand while Alton supplying pipework, largely for power stations (profits up 22 per cent.) is continuing to surer ahead on the back of strong overseas demand. However, until the investment climate improves group progress will be slow. The shares are 7.2p dearer (dividend cover almost four times) on a p/e of 5.

Heavy engineering lifts Whessoe to £3.4m.

ON SALES of £49.97m. compared with £41.6m. pre-tax profits of Whessoe advanced from £2.88m. to a record £3.4m. for the year to September 30, 1977.

At mid-way, reporting a rise from £0.88m. to £1.25m., Lord Erroll, the chairman, forecast full year profits ahead of those for 1976-77.

Trading profits for the year of £4.99m. (£4.58m.) were split as to: heavy engineering £2.39m. (£1.95m.), light engineering £0.87m. (£1.21m.) and Alton £1.74m. (£1.42m.).

The final dividend is 2.817p (2.497p) net for a 4.604p (4.122p) total.

New orders which were about £2m. greater than last year's £60m. were more evenly spread and the current year started with a much improved order book.

There is a greater probability that during the coming year there will be a resumption of orders of nuclear power stations providing further opportunities for the group, says the chairman.

On balance, given the improved trading margins and with an important reservation only about prospects of new offshore work, "we believe that pre-tax profit for the current financial year will show some further increase."

Glenmurray increases revenue

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DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div. year	Total last year	Total for year
Armitage Shanks	1.98	April 8	1.95	4.2	4.2
Attwood Garages	0.61	—	0.61	—	1.45
Buffelsfontein Gold	80p	Feb. 10	40	130	130
Burton Group	0.9	—	0.67	1.5	2.14
Clydesdale (TVL) Series	65	Feb. 24	4.5	—	12
Coalite	0.94	Feb. 24	0.85	—	1.83
J. A. Devenish	3.9	—	3.65	5.0	5.28
Enalox Plastics	2.94	—	2.94	4.4	4.4
English Card	1.13	Jan. 30	1	—	2.62
Glenmurray Inv.	0.75	Feb. 24	0.85	1.7	1.43
Glenmurray Inv.	0.75	June 26	1.7	—	1.7
Griqualand Exploration	28p	Feb. 24	23p	52	30p
Griqualand Exploration	5.54	Feb. 3	3.13	62	5.63
Hensher	1	Jan. 10	1	1	1
Northern Foods	2.1	Feb. 24	1.78	3.1	2.78
NSS Newsagents	1.42	Feb. 14	1.3	2.13	1.9
Pilkington Bros.	3.76	Feb. 3	5.12	—	10.48
Progressive Sec.	0.75	Jan. 3	0.75	—	2.5
RITP	2.4	Jan. 25	2.13	3.94	3.44
Russell Bros.	1.1	Feb. 10	0.75	—	3.89
Stilfontein Gold	11p	Feb. 10	11	22	22
Trans-Natal Coal	5p	Feb. 24	7	—	17
Tumbull Scott	0.44	—	0.44	—	0.41
Victoria Carpet	0.44	Feb. 23	0.44	—	0.85
Wagon Industrial	3	—	2.5	—	0.85
J. W. Wassall	0.2	Jan. 11	0.2	—	0.4
Whessoe	2.82	Jan. 28	2.5	4.6	4.12
Wheway Watson	0.35	Jan. 6	0.25	0.78	0.78
John Williams	1.39	—	1.3	2.18	1.37

Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issue. * On capital increased by rights and/or acquisition issues. † Additional 0.013p for 1976-77. ‡ Additional 0.03p for 1976-77. § South African cents throughout. ¶ Adjusted for subdivision of 25c shares to 5c.

leave a deficit of £7,855 appearing in the pro-forma balance sheet of the company as at September 30, 1977.

Following the reduction the 6m. Ordinary shares will be consolidated into 1.6m. Ordinary 10p shares.

Wellco prospects encouraging

The prospects of Wellco Holdings are encouraging. Mr. R. S. Landin, chairman, says in his annual review.

He says that the electrical division is actively seeking products to boost sales and profits in the current period, and has had a fair measure of success.

He says that in the year to June 30 the electrical division continued to counter difficult conditions but managed to produce favourable results.

Further progress has been made in establishing overseas markets. Recent sales visits to the Far and Middle East improved the forward overseas order position, and at September 30 these stood at £250,000. Last year exports totalled £250,000.

Panel ruling on Caparo's Singlo bid

The Takeover Panel has ruled that Caparo should allow its bid for Singlo Holdings to lapse on December 12, unless it is allowed to convert Preference shares and make another bid next year.

On current form, the existing Caparo bid for Singlo is going to fail, says a spokesman for Caparo.

Caparo might like to have another attempt next year at the time when conversion of Preference shares is allowed. But that would be less than 12 months after the present offer lapses. Caparo would normally be allowed under Rule 35 of the Takeover Code.

The Panel has agreed to waive this rule provided that the existing bid is not extended any more. Last night a spokesman for Caparo said it was "weighing up the pros and cons" but had not yet decided. The alternatives on December 12 are to extend the offer as it is, increase it or let it lapse. But given the low level of acceptances so far and the ruling which the panel has now given, Caparo seems likely to either make a higher offer or let it lapse.

Although Caparo is doubtless pleased about this ruling, it will be reluctant to let the matter rest for a year since the shape of Singlo might change in that time. Also the major advantage of channelling shares issued as a result of "Indianisation" will be lost. On the other hand there is apparently little pressure on Caparo to leave the share. Its stake is mostly financed by borrowings from an international bank and the interest charges are covered by the relatively high yield on Singlo shares.

Meanwhile, this year's conversion is taking place later than usual, just scraping into 1978 but the Takeover Panel is not allowing Caparo to extend its current bid beyond the usual 60 days in company's share premium account amounting to £863,840.

The total amount written-off would be £1.29m. which would

Yorkgreen capital changes

The Board of Yorkgreen Investment Trust is submitting proposals for a capital reorganisation and capitalisation of its share premium account in order to bring the issued share capital into line with the value of assets employed.

In a complex arrangement the directors submit proposals for the capitalisation on the basis of three-for-five of £200,000 from the company's share premium account and the subsequent cancellation and writing-off of 8p per Ordinary share on the 5m. Ordinary 10p shares comprised in the issued share capital amounting to £400,000. Also a cancellation of £30,000 of the balance of the remaining balance of the company's share premium account amounting to £863,840.

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BREMNER & COMPANY LIMITED

General Warehousemen

STATEMENT FOR HALF YEAR TO 31ST JULY, 1977

The Directors have declared an Interim Dividend of 1.015 pence per share (1976—1 pence per share) which, together with associated tax credit, is equivalent to a gross dividend of 2.15% (1976—2.15%). The dividend will be paid on 28th January 1978 to shareholders on the Register of Members at 23rd December, 1977.

The results for the Half Year to 31st July, 1977 based on unaudited Accounts are:—

	1977	1976
Profit before Taxation	195,777	237,793
Deduct Taxation	104,622	176,500
Net Profit after Taxation	91,155	111,293
Less: Interim Dividend	56,028	55,200
	35,127	56,093

The tax charge for the current half year is calculated at 52% (1976—52%). The provision shown is the total estimated tax liability of the Company. Advance Corporation Tax already paid during the period is £79,622 (1976—£77,280).

The amount of interest earned in the period under review was £38,769 and due to the fall in interest rates compared with the previous year, the amount for the full year will be significantly less than last year's total.

Whilst turnover had been maintained, less favourable trading conditions together with rising costs have had an adverse effect upon profits for the first six months. It will depend, therefore, upon the extent of the Christmas trade whether the fall will be minimised.

BREMNER & CO., LIMITED
44, Glassford Street, Glasgow G1 1UW.

Phoenix up £11.3m at 9 months

AFTER reaching £17.2m. at the six-month stage, Phoenix Assurance has produced pre-tax profits of £27.5m. for the nine-months to September 30, 1977, against £16.2m. last year. Profits for all 1976 came to £24.5m.

Investment income for the nine months rose from £22m. to £28.3m., while underwriting profits on fire, accident, marine and aviation business amounted to £3.2m., compared with a loss of £5.2m. Underwriting profits on long-term business were unchanged at £1.3m. Earnings per 25p share are shown at 36.5p (33.2p).

Net premiums written on fire, accident, marine and aviation £24.7m. (£24.4m.).

On general business underwriting, the directors state, the U.S. results have shown further improvement during the third quarter and at September 30 the profit of £0.9m. (operating ratio 98.3) compares with a loss of £1.5m. (operating ratio 108.3).

Investment income

1977	1976
U.K. Govt. securities	20.2
U.S. Govt. securities	3.2
U.S. Fire, accident, marine	4.5
U.S. Long term	1.3
Expenses of charged	0.9
Pre-tax profit	10.2
Minorities	1.8
Attributable	8.4
Retained	8.3

Coalite jumps £1.5m. to £6.5m. at halftime

ON TURNOVER £4.34m. higher at £30.21m., pre-tax profit of Coalite and Chemical Products leapt from £4.90m. to £6.51m. in the six months to September 30, 1977.

Profit was struck after depreciation of £1.8m. (£1.2m.) and interest receivable of £94,000 (£59,000). It is subject to tax of £3.4m. (£2.6m.).

The interim dividend is ahead from an adjusted 0.531p per 35p share to 0.9581p, with a previously announced additional 0.015p to be paid for 1976-77. Dividends totalled 1.823p net per 25p share on last year's taxable profit of £3.69m.

Directors say that with Coalite stocks cleared last winter, the return to more usual summer weather coupled with public apprehension regarding possible fuel shortages, this winter increased sales during the half-year. With significantly more production capacity operating, Coalite stocks for the winter are lower than last year. Oils and chemicals have continued to make a substantial contribution to group profits.

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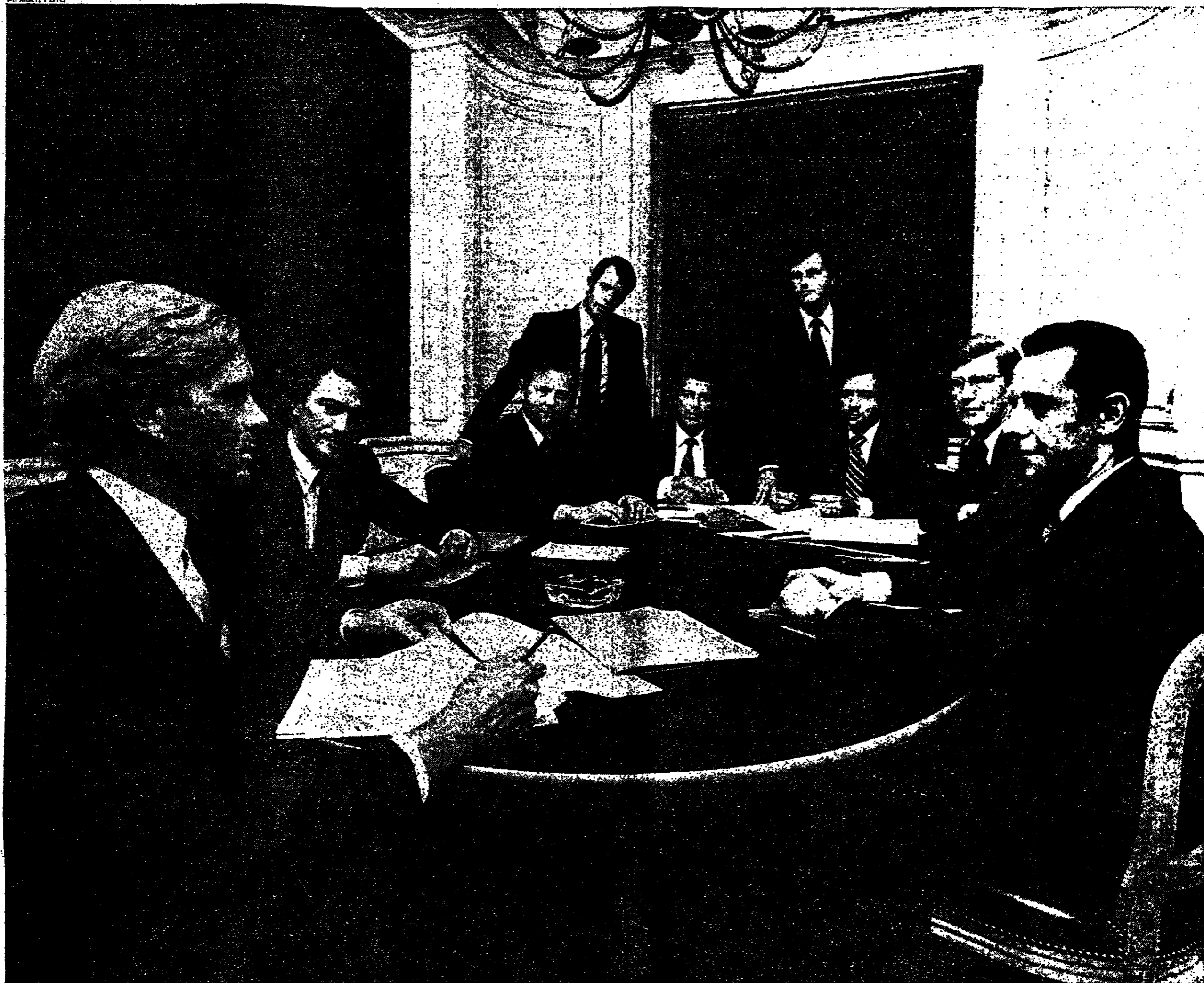
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Member, FDIC



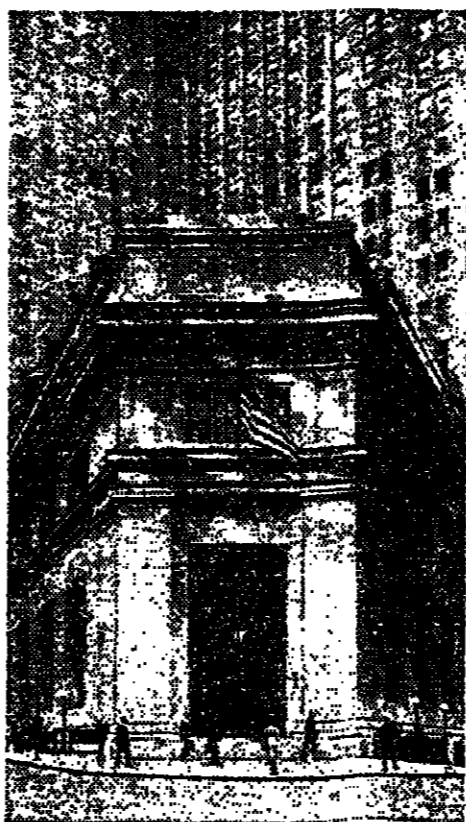
Frequent meetings, like this one in Paris, bring together Morgan bankers from many locations. From left: Urs Hodler, Zurich; Jean-Pierre Desbons, Paris; Sean McSharry, Brussels; Peter von Elten, Frankfurt; John Lapsley, London; Klaus van Dijkum, Amsterdam; Eric Bourdais, New York; Alexander Kennedy, Milan; Michel Barret, Madrid.

Why Morgan Guaranty may be the international bank you need

When you do business internationally, financial problems are more complex. You need a bank that combines broad resources with depth of experience, a bank with short lines of communication and the quick response of a unified team.

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Morgan Guaranty - the corporate bank

Burton loss tops £13m. but profit in prospect

THE MAJOR rationalisation programme introduced at the Burton Group earlier this year, involving the closure of a number of factories and retail branches, has cost the company heavily, helping to create losses for the year 1977 of a total of £13.6m. Losses in 1976-77 which led to a major reshuffle at the top of the company totalled £3.4m.

The group increased sales during the year by 2.9 per cent to £151m, and made a small operating profit of £1.5m, compared with £1.2m in 1976-77. Excluding the businesses closed or sold during the year the sales increase was somewhat higher, however, at around 3 per cent.

Mr. L. O. Rice, the chairman, says that, if present sales trends continue, the directors anticipate a modest profit in the first half of the current year. Cumulative sales for the first 14 weeks of 1977-78 were only 3 per cent higher but the comparison is distorted by the sale and closure of businesses and by the heavy promotions in the early part of last year, he says.

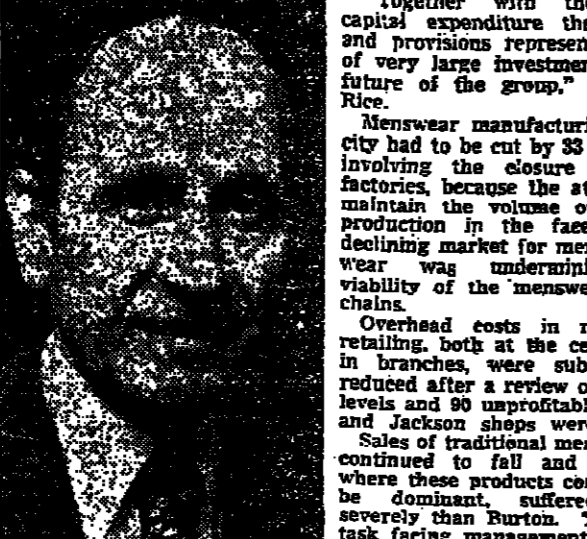
A reduced operating loss for the year in the clothing, office and leisure and overseas sectors, of £1.4m, (£1.4m) was offset by a maintained property income of £2.9m, (£3.1m), but there were increased costs of £2.9m, (£1.2m), relating mainly to reorganisation and modernisation.

With extraordinary debits of £3.5m, (£1.0m), including branch closure costs and £4.6m, (£1.2m) in costs, both involving redundancy payments and asset write-offs, the attributable loss after tax soared to £13.6m, (£3.4m), but Mr. Rice comments that this should be viewed against the background of a year of intense activity in implementing major policy changes.

Before extraordinary items the loss per 50p share reached 11.06p (8.85p) or 6.87p (2.86p) fully diluted and the net total dividend was cut to 1.5p (2.1474p) with a final of 0.9p (0.825p).

An analysis of sales and operating profit of £15.6m, (£17.7m), by activity shows, with £80s omitted: menswear retailing and manufacturing sales £9,128 (£9,295) with trailing profit £104 (£1,428) and £4.8m, (£4.8m) in costs, both manufacturing loss £2.21 (£1.37); womenswear £27,136 (£27,371) and £1,701 (£775); office leisure £17,158 (£22,380) and £77 (£1,789); overseas £13,794 (£18,507) and loss £701 (£1,001); and property income, less group management and services costs, £3.95 (£3,107).

An external professional valuation of group properties at August 27, 1977, showed a surplus of £23m on freehold and over-30-year leasehold properties which has been written into the books. The surplus of £2m, on shorter leaseholds has been excluded. During the year unprofitable shops and investment properties, mainly



Mr. Cyril Spencer, managing director of the Burton Group—menswear manufacturing capacity cut by 33 per cent.

A reappraisal of the menswear divisions resulted in the closing of factories and shops and a reduction of costs and stocks, entailing heavy costs in redundancies and write-offs. The need for more rapid changes in shop environments led to the decision to charge a higher rate of depreciation in all divisions.

"Together with the year's capital expenditure these costs and provisions represent a year of very large investment in the future of the group," says Mr. Rice.

Menswear manufacturing capacity had to be cut by 33 per cent, involving the closure of four factories, because the attempt to maintain the volume of factory production in the face of the declining market for men's outerwear was undermining the viability of the menswear retail chains.

Overhead costs in menswear retailing, both at the centre and in branches, were substantially reduced after a review of staffing levels and 90 unprofitable Burton and Jackson shops were closed.

Sales of traditional merchandise continued to fall and Jackson, where these products continue to be dominant, suffered more severely than Burton. The main task facing management in both Burton and Jackson is the development of the right merchandise formula for the radically changed market place. In this context the directors are encouraged by the performance of the experimental Young Men's departments, benefiting increasingly from Tom Stone's expertise, the chairman states.

Womenswear sales advanced by 30 per cent, and profits by 120 per cent, due to the outstanding performance of Top Shop where profits nearly doubled. Peter Robinson where there was a turnover of over £600,000.

Evans had a bad year but with the growth of the Evans mail order business and a modernisation programme aimed at widening the customer base, Evans is expected to return to profitability in the current year.

There are several considerable hopes for profit growth in Two Shans and the continued expansion of this chain is a high priority.

Recovery by Evans to a profit of over £100,000 (loss £1m), followed radical changes in commercial strategy implemented last year. In particular, the chain of London shops, now largely geared to stationery with an increasing proportion of domestic and gift items, is profitable and growing.

The six provincial businesses are profitable but in need of further expansion. Greens, which was sold in November 1976, had a loss of nearly £200,000 prior to the sale.

In the depressed French economy, the demand for menswear did not revive during the year, and sales were static despite the growth of menswear by the new accounts of 85 per cent. The loss overseas includes significant losses of the cloth merchanting business and the Belgian shops which are now closed.

See Lex

More growth by Northern Foods

AS FORECAST at midway, second half profits of Northern Foods increased some £1.5m, including four months' trading of newly acquired Fox's Biscuits, leaving the figure for the full year to September 30, 1977, ahead from £14.4m to £17.91m, on higher turnover of £233.22m, against £206.41m.

Current trading is very satisfactory and profits so far this year are well up on 1976-77, say the directors, who expect that this trend will be maintained for the first half. Cash flow continues strong and income from short-term investments has increased substantially.

Basic earnings per 25p share are shown as 11.84p (9.97p) and fully diluted as 11p (9.29p). A final dividend of 2.1p raises the total from 2.75p to the maximum permitted 3.1p net and in anticipation of some easing in dividend restraint, the directors propose a two-for-five scrip issue.

A breakdown of divisional performances during the year shows that in liquid milk there was an improvement over the previous year, largely as a result of the pressure on volumes sales brought about by price increases.

In milk manufacturing, the task facing management in both Burton and Jackson is the development of the right merchandise formula for the radically changed market place. In this context the directors are encouraged by the performance of the experimental Young Men's departments, benefiting increasingly from Tom Stone's expertise, the chairman states.

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See Lex

company is budgeting on a 12 to 15 per cent increase in overall turnover to say £285m in 1977-78. On this basis a pre-tax profit of over £21m, looks likely. Gearing remains low despite upward pressure on working capital. The dividend cover for 1977-77 is between 2.5 and 2.5 (depending on tax treatment) even after the Hyde inflation adjustment. The two-for-five scrip is a heavy hint that a 40 per cent dividend boost would suit the management, who would like to pay a maintained dividend on the increased capital. The hire purchase interests are going strong with profits benefiting from low interest rates, and it will need another bad summer to stop Northern's brewing business making a useful contribution to profits growth this year. The question marks concern the future of the Milk Marketing Board and of milk prices—milk in liquid form accounts for about half of Northern's profits and sales. The management do not expect to see much change in the margin protection afforded by the MMB, but it might raise the price of milk if it could threaten the already unsatisfactory sales volume. At the price of 10.5p, up 50, the p/e is 6.5.

English Card down at halfway

ANNOUNCING A slight fall in pre-tax profit from £1,038,000 to £1,011,000 for the half year to October 1, 1977, the directors of English Card Clothing say they estimate that the surplus in the second six months will be higher than in the first half. For the whole of 1976-77, a figure of £2.9m, was reported.

Stated half-year earnings are down from 6p to 5.2p per 25p share and the interim dividend, costing £85,000 (£57,000), is stepped up to 1.1p (1p) net, with an additional 0.1p to be paid for 1976-77—last year's final was 1.62p.

Turnover increased to £9m, (£7.99m) for the period and, after U.K. tax up from £1,000 to £10,000, Overseas tax down from £558,000 to £547,000, net profit declined from £396,000 to £364,000.

Attributable profit fell from £350,000 to £301,000 with an analysis showing that such profit from Europe (other than the U.K.) fell from £118,000 to a loss of £10,000. For the U.K., attributable profit was up from £74,000 to £93,000 and for India up from £158,000 to £218,000.

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GUILDHALL PROPERTY COMPANY LIMITED

Salient points from the Accounts and Statement by Mr. R. W. Diggins, OBE, the Chairman

- Progress during the year to 30th June, 1977, has been much as forecast. Rents receivable rose by 11.8% to £718,000 and profit before tax showed an increase of 14.5% to £545,000. Reserves also showed an increase of just under 10% to a figure of £1,422,000.
- During the year we re-let on satisfactory terms two factories, vacant at this time last year. We are currently carrying out improvements to one factory prior to re-letting and negotiations are already in progress with an intending tenant. Apart from this we had no other voids at the year end.
- At the end of the financial year we had three residential properties which have since been sold for £853,000. After providing for taxation our capital reserve will be increased by about £55,000. We intend to re-invest in property similar to our main portfolio, and hope to show a better and improving return for a less onerous liability.
- Since my statement last year there have been some slight improvements in the general business climate, but it is still difficult to predict our fortunes. After taking account of increases in the rent roll of the industrial properties and consequential adjustments arising from the sale of the residential properties, I anticipate a pre-tax profit of about £575,000. This would be sufficient after tax and dividends (increased by the presently permitted 10%) to provide retained profits similar to this year and take our total reserves over £1½ million.

Comparative results	1977	1976	1975
Rents receivable	£718,006	£642,104	£565,414
Profit before tax	£544,835	£475,458	£410,853
Profit after tax	£279,775	£239,579	£216,365
Profit retained	£121,814	£96,563	£84,329

Net assets at June 30, 1977, were valued at £1,448,770, including the fourth and final payment of compensation due to be received on July 1, 1978, of Tanzania shillings 3,628,000.

The directors confirm that plans are in hand for proposing the voluntary liquidation of the company as soon as possible after the final instalment has been received.

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Interim Report

Extract from the Report (unaudited) and Statement by the Chairman, Mr. P. A. Barns-Graham

	26 weeks to 24.9.77	26 weeks to 25.9.76	Year to 30.9.76
TURNOVER	9,585	5,941	18,167
PROFIT BEFORE TAX	318	816	1,383
PROFIT AFTER TAX	158	406	662

- * Sales increased by 6% in value; profits substantially lower than last year.
- * Compared with same period last year selling prices higher but lower volume of timber sold due to continuing depression in construction industry and to lesser competition. Demand for home modernisation and improvement continued to increase.
- * Significant stock profits reported last financial year not repeated. Improvement in value of Sterling against some foreign currencies and devaluation of Scandinavian currencies resulted in reduction in current buying prices for certain imports and consequential narrowing of margins on existing stocks.
- * Estimated Trading Profit is after providing £50,000 against possible future stock losses.
- * Interim Dividend of 0.5p per share (same) declared together with second instalment of final dividend for 1976/77 of 0.2357p. Dividends to be paid on 10th January 1978.

Copies of the Interim Report and Chairman's Statement may be obtained from the Secretary, City West Mills, Part Dredges, Glasgow, G4 3TF.

Turnbull Scott incurs £0.32m. loss

Owing to a combination of very poor trading conditions accounts for the half year ending July 31, 1977, of Turnbull Scott Shipping show a trading loss of £315,675 after depreciation but before tax.

The adjustment to the tax equalisation fund arising from the loss produces a net deficit after tax of £131,528.

Interim dividend is maintained at 4p net per £1 share, but the directors say that if freight rates continue at the present very low level, it may not be possible to pay a final year's total of 9.125p from £28,660 pre-tax profit.

Much trading time was lost during the half-year when one of the ships were in drydock for repairs, and the directors, but the second half should show an improvement.

M.V. "Redgate" was sold in March, 1977 and the surplus arising therefrom, after provision for tax, turns the loss after tax into a profit of £65,917.

The directors report that M.V. "Eskdale" was sold in September, and as she had been losing money, this sale should benefit the company's trading profit in second half.

	26 weeks to 24.9.77	26 weeks to 25.9.76	Year to 30.9.76
Turnover	1,972	1,127	2,843
Trading profit	1,192	1,127	2,843
Loss on stock disposed	75	75	75
Debtors interest	12	25	25
Bank interest	221	158	423
Profit before tax	927	926	2,297
Tax	272	236	71
Net profit	655	690	1,576
Provision for tax	75	42	61
Carried forward	580	648	1,515
Dividend	423	673	1,317
Ord dividend	414	498	966

Bird (Africa) advances to £101,035

INCLUDING A net exchange surplus of £41,625 against £24,422, profits of Bird and Co. (Africa) advanced from £38,377 to £101,035 for the year ended June 30, 1977. No provision for tax has been made in view of the losses incurred in previous accounting periods.

The directors confirm that plans are in hand for proposing the voluntary liquidation of the company as soon as possible after the final instalment has been received.

Australian recession hits Armitage Shanks

TURNOVER FOR the half-year to October 1, 1977, of Armitage Shanks Group rose from £16,522m to £18,956m, but pre-tax profits are almost unchanged at £927,000 compared with £925,000.

There was a sharp drop in the profits of the Australian company which has been hit by the severe recession in the building industry, say the directors.

However, the improved level of activity in the U.K. and in export markets, particularly during the second quarter, assisted greatly in producing a satisfactory profit.

Forecasting even in the short term remains difficult, members are told, but order books are better than they were a year ago. The interim dividend is 1.50p (1.85p) net equal to 5p (same) gross. Last year's net total was 4.2p and pre-tax profits came to £2.3m.

comment

Northern Foods' profits are at the top end of the expected range and the report on current trading and prospects is encouraging. The

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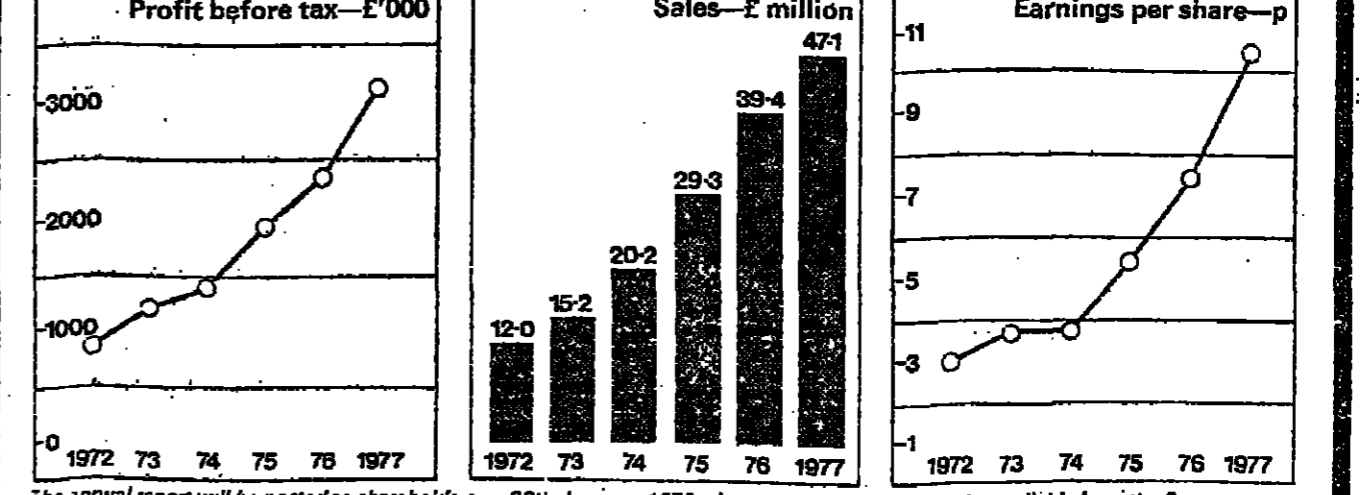
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	52 weeks to 2/10/77	53 weeks to 3/10/76	Growth %
Sales	47,089	39,378	19.6
Pre-tax profit	3,164	2,371	33.4
Net profit after tax	1,777	1,259	41.1
Earnings per share	10.51p	7.44p	41.3



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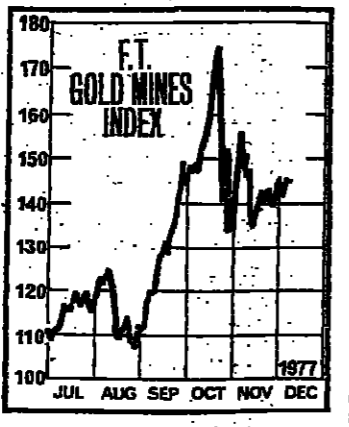
Metropolitan baby Limited

Increase in Earnings

MINING NEWS

Delays lift Unisel's costs to R84m.

THE annual reports for the September 30 issued by Union Corporation group's African gold producers, the Unisel mine, confirms that underground progress fallen behind schedule, full production will not be reached by November, 1979. The delay increased capital expenditure (£2m, £643.9m).



richer areas have been worked out. Mr. Pavitt points out that it will now become considerably more sensitive to fluctuations in the gold price and increases in costs. In the latter will be aggravated in the coming year by the need to increase the rate of development in order to maintain adequate ore reserves.

Gopeng boosts tin output

THE MALAYSIAN tin-producing industry reports an improved tin concentrate production for November following the heavy rainfall and flooding in October which ended the drought conditions in the area. The latest output makes a two-month total of 26,120 tonnes against 23,881 tonnes a year ago. It has also recovered from the adverse weather conditions.

Langkang's November production makes an 11-month total of 217,100 tonnes against 207,100 tonnes in the same period of 1976. The latest output figures are compared in the following table:

Table with 3 columns: Month, 1976, 1977. Rows include Gopeng, Langkang, and Total. Total for 1976 is 207,100 and for 1977 is 217,100.

The output for the group's mines is summed up in the accompanying table:

Table with 3 columns: Mine Name, 1976, 1977. Rows include Aher, Bess, and Trooh. Total for 1976 is 198,187 and for 1977 is 219,187.

Canada's Falconbridge Nickel is to discuss nickel production plans to-day with worker representatives at its Sudbury, Ontario, operations. An announcement is expected after the meeting. In August the company announced a one-month closure at Sudbury and an extended Christmas closure because of mounting unsold stocks and weak nickel markets.

France and Quebec have signed a five-year accord aimed at developing the province's copper deposits and ensuring regular copper supplies for France. Each of the partners will spend \$10m (£4,843,500) annually in the venture. Most of the prospecting is to be carried out in north-west Quebec. Both sides think that the accord might be extended to other metals.

After ten months of the year shipments of iron ore from the Canadian mines were running 7.9 per cent behind those of last year at 47.9m. tons, according to official statistics. October shipments, however, were 18.6 per cent higher than in the same month of 1976 at 8.4m. tons.

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DISTRIBUTORSHIPS WANTED. Have you a product that requires distribution? If so we have premises with showroom - total 6,000 sq. ft. - in centre of York's main town. Can we cooperate for mutual benefit and take advantage of the forthcoming proposed consumer boom? Please reply Box G 823, Financial Times, 10 Cannon Street, EC4P 4B7

SCOTLAND WILL HELP YOU. Director starting new agency to handle products for manufacturing industry selling in Scotland. If you have even one account which can be taken over we will undertake to promote and expand your sales. Full details with literature, prices, proposals etc. Write Box G 1118, Financial Times, 10, Cannon Street, EC4P 4B7.

ENGINEERING COMPANY FOR SALE. BIRMINGHAM - Retirement provides opportunity to purchase small long-established company, with excellent turnover and profitable margins. Full details with literature, prices, proposals etc. Write Box G 1118, Financial Times, 10, Cannon Street, EC4P 4B7.

Habib Bank A.G. Zurich (INCORPORATED IN SWITZERLAND) We are pleased to announce that as from December 9th our new address will be: 92 MOORGATE, LONDON EC2P 2EX. TELEPHONE-01-636 1391. TELEX 888056 CABLES SWISSHABIB LDN EC2

ATTWOOD GARAGES LIMITED INTERIM STATEMENT. The Directors report the following unaudited results of the Group for the half-year to 31st July, 1977.

LEISURE & GENERAL HOLDINGS LIMITED ("L & G") Cash Offer of 60p per share on behalf of LADBROKE HOLIDAYS LIMITED. The offer document has now been despatched to the registered shareholders of L & G. Holders of new ordinary shares in L & G who have acquired such shares, otherwise than by allotment under the terms of the recent capitalisation issue, can obtain a copy of the offer document and the relevant form of acceptance and transfer at any of the following addresses: Morgan Grenfell & Co. Limited, New Issue Department, 4 Throgmorton Avenue, London EC2P 2NB. Telephone: 01-588 4545. Williams & Glyn's Registrars Limited, P.O. Box 86, 31 St. Andrew Square, Edinburgh EH2 2AG. Telephone 031-556 9151. 16 Old Broad Street, London EC2N 1DL. Telephone 01-588 6234.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Barlow Rand sees lift from mining profits

BY RICHARD STUART

R. PUNCH BARLOW, chairman of South Africa's leading industrial group, Barlow Rand, sees improvement in profits next year for this broad-based group...

also ensured that the profit momentum was maintained. Federated Timbers, the building materials and supply group, felt the full blast of the recession...

Overall, all-important financial ratios have improved. The current ratio is now 1.88 and the debt-equity ratio is down from 54 per cent to 49 per cent.

AUDIO EQUIPMENT

Pioneer sets its targets for 1982

BY DONALD MACLEAN

PIONEER ELECTRONIC Corporation, Japan's leading manufacturer of audio equipment, has set a consolidated sales target of ¥340bn. (£770m.) for the fiscal year ending in September, 1982...

Mr. Hayakawa's analysis comes at a time when the company has been facing a relatively high degree of saturation in the domestic market, where it has also been held back by the Japanese economic recession...

stereo market in Japan, that its "monopoly situation is now ending and we are entering the second stage of the market."

The company is hoping for "substantial growth potential" from two new businesses added this year. The first is two-way cable television...

Sime Darby to keep Indian interests

By P. C. Mahandi

CALCUTTA, Dec. 7. SIME DARBY HOLDINGS, together with a subsidiary, controls majority interest in Assam Frontier Tea Company...

MEDIUM TERM CREDITS

Spreads "unlikely to decline"

BY FRANCIS GHILES

SOME PROSPECTIVE borrowers have suggested that the yet unrelieved competitive pressures in the Eurodollar banking system will force interest spread rates lower...

generate marginal losses rather than marginal profits. Thus banks are prepared to lend for increased periods at to-day's rates rather than see spreads fall further.

spread of 1 1/2 per cent for the first three years, rising to 1 3/4 per cent for the last four.

AUSTRALIAN COMPANIES

CSBP bid running into trouble

BY JAMES FORTH

ONE OF AUSTRALIA'S largest takeover bids—the \$460m. offer for Western Australian fertiliser group, CSBP and Farmers, has run into a hitch.

Secretary, Mr. R. J. Francis, declined to reveal the identity of the independent adviser or the value the company placed on the CSBP holding.

make an offer because of existing foreign ownership guidelines.

Wehl raises Lloyds terms

SYDNEY, Dec. 7.

BUILDING PRODUCTS group A. V. WEHL Industries has raised its take over offer for hardware company Lloyds Holdings and now appears assured of success, writes James Forth.

assets of the company should be safeguarded in the interests of all shareholders.

Advertisement for Allied Arab Bank Ltd. Includes logo with a palm tree and a horse, and text: 'A new force in international commercial banking', 'Allied Arab Bank Ltd', 'Now established in London, Allied Arab Bank is in a unique position to provide financial advice and services to Arab customers and corresponding assistance to Western clients seeking to develop business in the Arab World.'

BOOKS

Solo voyage

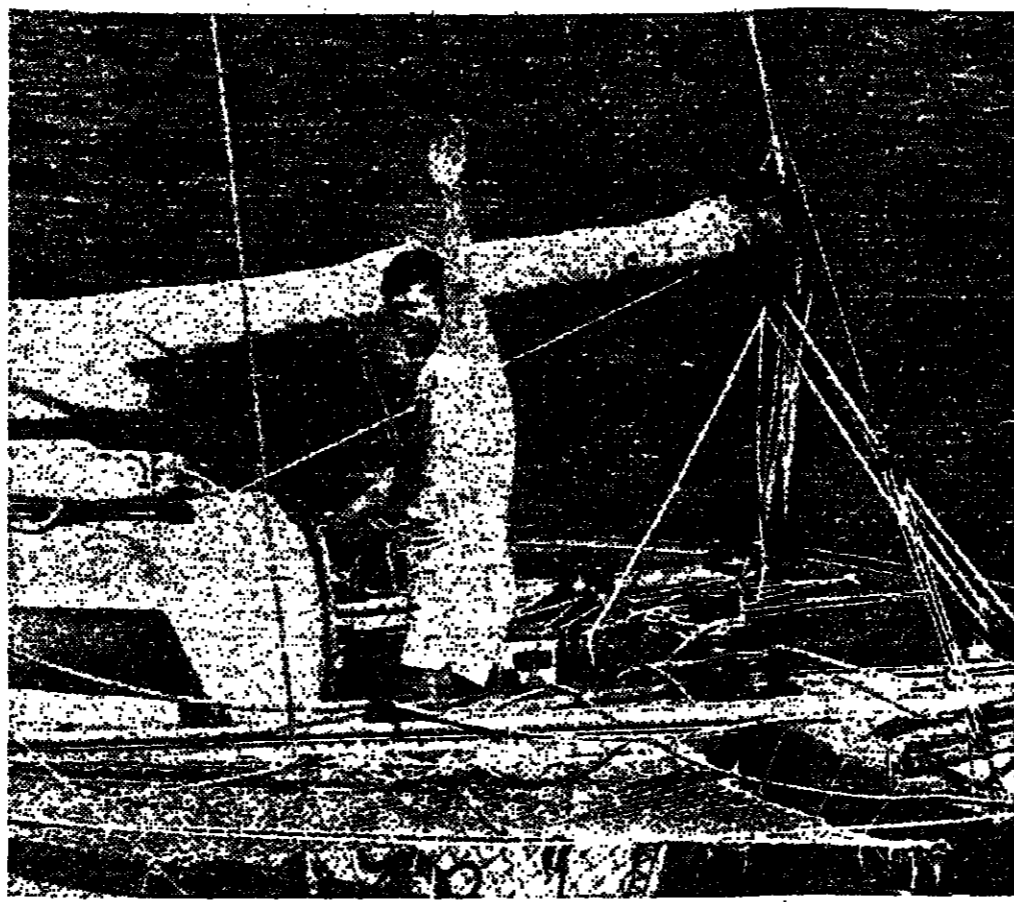
EDWARD HEATH

Atlantic Race, the building and tuning of the boat, its initial trials and troubles, together with its racing successes, before setting out from Plymouth across the Atlantic. The detailed preparation of the boat and its skipper for such a contest are undoubtedly a major part of the whole operation. What happens after crossing the starting-line must depend to a very large extent on how vibrant and thorough these preparations have been. To the owner of a single-handed ocean racing boat, the variety and extent of the structural weaknesses which appeared in Trimaran FT in the year after she was launched appear somewhat alarming. In essence, however, the boat seems to me to be absolutely right when he admits that boat and crew were extremely lucky to survive the 1974 Round-Britain Race. But then, as Derek Kelsall, the designer and builder of FT, explains in an interesting appendix, directly she was launched and got into a rough sea she was found to be a pincer. This was also Sir Francis Chichester's experience with Gipsy Moth, the first solo circumnavigator of the world.

The subsequent strains on the trimaran were the cause of many of its difficulties. Even when the major defects in the beams and the rudder were remedied by redesigning and replacing them, incidents in the transatlantic race itself showed that the boat was still suffering from the effects of the last detail. A new hull which had not been properly tried out appears to have been inferior to the one discarded; the poor quality of the parabolic keel on board the hurricane-lashed boat, essential as a navigation light on deck, made it useless after burning for two hours; and the discovery of a shortage of anti-seasickness pills for one apparently as prone to this illness as David Palmer. There are all examples of how untried or unsuitable equipment and a lack of certain supplies can militate against the racing man.

The general reader will enjoy this account of racing in a trimaran. The story is well told, effectively without becoming involved in too much detail and there is a frankness about the author's own examination of his innermost feelings which is attractive and convincing. Those who are more concerned with the technical side of things will find the appendixes particularly interesting. The author's conclusions on the changes he would make in any future boat are well worth the consideration of all designers. The proposals he makes for ensuring the safety and survival of the crew on a capsize multi-hull would seem to me to be essential in all future construction.

David Palmer asks himself why he did it. On the sea, we all ask ourselves this from time to time. He wanted to win the single-handed transatlantic race. And yet at one point he describes his priorities as being first to survive then to reach America and thirdly to win. I find throughout the book this sense of conflict. There are descriptions of the boat wallowing for hours instead of racing either because the wind had changed while he was asleep and he was not able to get up and do anything about it or because he was not sure that the boat could stand up to the strain of racing in the conditions he encountered.



David Palmer being rowed into Newport after his 27-day crossing of the Atlantic in the Observer single-handed race boat.

David Palmer asks himself why he did it. On the sea, we all ask ourselves this from time to time. He wanted to win the single-handed transatlantic race. And yet at one point he describes his priorities as being first to survive then to reach America and thirdly to win. I find throughout the book this sense of conflict. There are descriptions of the boat wallowing for hours instead of racing either because the wind had changed while he was asleep and he was not able to get up and do anything about it or because he was not sure that the boat could stand up to the strain of racing in the conditions he encountered.

Jazz in black and white

BY KEVIN HENRIQUES

As Serious as Your Life—the story of the new jazz by Valerie Wilmer. Allison & Busby, £6.50 (paperback), Quartet Books, £2.95, 298 pages.

Jazz People by Valerie Wilmer. Allison & Busby, £4.95 (paperback), Quartet Books, £2.25, 167 pages.

Improvising—Sixteen Jazz Musicians and their Art by Whitney Balliett. Oxford University Press, £7.25, 263 pages.

Jazz People. Text by Dan Morgenstern, photographs by Ole Brak. New English Library, £15, 300 pages.

Relatively few books about jazz have been published in 1977. Derek Jewell's biography of Duke Ellington (reviewed in the Financial Times on April 23) is probably the best and most important of the clutch just slightly ahead of Valerie Wilmer's latest, most ambitious book to date. In it she records the birth and continuing life of the new black music—jazz from the John Coltrane era and after, created and played by Negro musicians, mostly in New York, in harsh conditions and in the face of opposition from record

companies, critics and club owners.

The basis of the new music is that players no longer need to combine themselves to form a band or use a set pattern of chords as a base for improvising, nor do they have to stick to a given time-signature or even, pulse, to bar-lines. Certainly a revolutionary approach to the music the author insists on dubbing "so-called jazz."

The unsympathetic atmosphere in which the new music grew, how its flag-bearers have survived and the circumstances which forced many to come to Europe for recognition and better pay are fully described by Valerie Wilmer who, almost miraculously for a white girl from Yorkshire, has always been unconditionally accepted by Negro musicians and their community. This close rapport enables her to argue that jazz is a new form of music, the first to fully document black avant-garde jazz. What a pity her enthusiasm and closeness to the cause persuade her she should dignify black (whether jazz or musician) with capital letters while denying the same courtesy to white.

No such inconsistencies in her earlier book which has been reprinted some seven years after original publication in, claim the

Sour hero

BY C. P. SNOW

Lermontov: Tragedy in the Caucasus by Laurence Kelly. Constable, £5.50 256 pages.

It is a truth universally acknowledged that poets are incapable of looking after their own lives. The minor fact that most of the greatest poets have been remarkably good at that homely exercise (compare Horace, Vergil, Chaucer, Shakespeare, Racine, Goethe, Wordsworth, Tennyson, Browning) has made no impact on that much cherished truth. Everyone knows that poets are wild, drink themselves to death, live in poverty, and always die young. Poets ought to be like Villon, Baudelaire, Rimbaud, Dylan Thomas. Poets *maudis*, that's what they should be. Try to tell a college audience that literary history usually proves the contrary. By the side of the romantic conception of the artist, the pedestrian facts don't stand a chance.

Lermontov (1814-41) was exactly what a college audience knows poets to be. Perhaps even romantics might in rational moments think that he was just a shade excessive. He was wild beyond the limits of wildness and brave to the edge of derangement. If you want a Byronic hero, scowling, misanthropic, womanising, suicidal, here he was. He was a gifted poet, though to a foreigner the gap between his best poems and his worst seems inordinately wide.

In his own time, Russians regarded him as the successor to Pushkin, which was his highest praise, perhaps too high. His poems are still declaimed, and some of them sung, all over Russia. His one novel, *A Hero of Our Time*, is a piece of Byronic fiction, but more ruthlessly honest than anything the other romantics could ever face.

There are 150 black and white photographs of Lermontov in English, and Mr. Laurence Kelly deserves praise and gratitude for producing this book. Mr. Kelly has travelled all over the Caucasus, and has included hyper-romantic illustrations (some of them reproductions of drawings and paintings by Lermontov himself, who had a considerable graphic talent) of hyper-romantic landscapes, traversed and fought in by the most hyper-

romantic of writers.

This is a very good biography, both sensible and elegant. Kelly doesn't give us much literary criticism, which is abnormally difficult when examining Russian poetry for English readers. He does give a number of translations, some very good, among them one of the famous "Lonely White Sail," where C. M. Bowra shows much more literary delicacy than one has come to expect from him. Mr. Kelly has also done some competent research among documentary sources, and has emerged with a statement which makes something like sense of the duel in which Lermontov was killed.

The social strata in the upper class of Tsarist Russia were not as sharply defined as in England or France, and there was never a Russian Proust. You can see the vagueness of the social relations in Anna Karenina. Where exactly in England would Levin have fitted? Lermontov didn't really fit anywhere—certainly not among the high-born young officers with whom he had to live. His other was a good landowner, not very grand but very drunk. When the young Lermontov's mother died, he was brought up by his grandmother, who was a Stoylin by birth, and a very grand indeed.

Lermontov would probably have been resentful whatever his heritage had been. As it was, he felt declassé, not at home anywhere. His father was a friend of the great critic Belinsky, who hoped that Lermontov's innate temperament would find a good rational expression, and so become less violent. That was too much to hope for.

The only appointment he ever had was as a serving officer. (Mr. Kelly frequently has to be wildly offensive to men and women, specialising in abuse to the Tsaritsa's ladies. He went in for childish pranks, such as wear-



Lermontov: military mist

ing a toy sword on parade. But he couldn't be laughed off as a clown. He was a dangerous, ill-tempered and formidable man. If men let themselves be provoked by jeers about their women, they would be called out to a duel. The Tsar, Nicholas I, wouldn't put up with him, and though Nicholas was a cold-hearted brute for once he had some excuse.

Through his indomitable grandmother, Lermontov was saved from being sent to Siberia, but he kept being shifted from guards regiments to more expendable ones, and posted to frontier stations in the Caucasus. As it happened, so far as he was capable of enjoying anything, he enjoyed that. The seething internal discontent became calmed down when he was fighting, and he fought with clerical fervour. He was recommended for decorations which the Tsar wouldn't grant.

It was on leave in the Caucasus that Lermontov was rude once too often. He was making brush with a private soldier, a friend, called Martinov. Most of Lermontov's gibes were about other failures with women, and how he could whistle their women away. That Martinov, who had been a friend, couldn't take it any more. There was a duel. It was intended to be a formal duel, 1830s style, both parties firing in the air. As they approached the barrier, Lermontov found it necessary to shout (Mr. Kelly frequently has to be wildly offensive to men and women, specialising in abuse to the Tsaritsa's ladies. He went in for childish pranks, such as wear-

ing a toy sword on parade. But he couldn't be laughed off as a clown. He was a dangerous, ill-tempered and formidable man. If men let themselves be provoked by jeers about their women, they would be called out to a duel. The Tsar, Nicholas I, wouldn't put up with him, and though Nicholas was a cold-hearted brute for once he had some excuse.

U.K. ECONOMIC INDICATORS

INDUSTRIAL ACTIVITY—Indices of industrial production, manufacturing output, engineering orders, retail sales volume (1970=100); retail sales value (1971=100); registered unemployment (including school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Index	103.2	104.5	106	106.5	111.9	118.9	121.9	125.9	128.9	131.9	134.9	137.9
Qtr.	102.5	103.5	104.5	105.5	106.5	107.5	108.5	109.5	110.5	111.5	112.5	113.5
Apr.	102.5	103.5	104.5	105.5	106.5	107.5	108.5	109.5	110.5	111.5	112.5	113.5
May	102.5	103.5	104.5	105.5	106.5	107.5	108.5	109.5	110.5	111.5	112.5	113.5
Jun.	102.5	103.5	104.5	105.5	106.5	107.5	108.5	109.5	110.5	111.5	112.5	113.5
Jul.	102.5	103.5	104.5	105.5	106.5	107.5	108.5	109.5	110.5	111.5	112.5	113.5
Aug.	102.5	103.5	104.5	105.5	106.5	107.5	108.5	109.5	110.5	111.5	112.5	113.5
Sep.	102.5	103.5	104.5	105.5	106.5	107.5	108.5	109.5	110.5	111.5	112.5	113.5
Oct.	102.5	103.5	104.5	105.5	106.5	107.5	108.5	109.5	110.5	111.5	112.5	113.5
Nov.	102.5	103.5	104.5	105.5	106.5	107.5	108.5	109.5	110.5	111.5	112.5	113.5
Dec.	102.5	103.5	104.5	105.5	106.5	107.5	108.5	109.5	110.5	111.5	112.5	113.5

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacturing, textiles, leather and clothing (1970=100); using 1970=100, monthly averages.

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Index	113.2	114.4	115.6	116.8	118.0	119.2	120.4	121.6	122.8	124.0	125.2	126.4
Qtr.	112.5	113.5	114.5	115.5	116.5	117.5	118.5	119.5	120.5	121.5	122.5	123.5
Apr.	112.5	113.5	114.5	115.5	116.5	117.5	118.5	119.5	120.5	121.5	122.5	123.5
May	112.5	113.5	114.5	115.5	116.5	117.5	118.5	119.5	120.5	121.5	122.5	123.5
Jun.	112.5	113.5	114.5	115.5	116.5	117.5	118.5	119.5	120.5	121.5	122.5	123.5
Jul.	112.5	113.5	114.5	115.5	116.5	117.5	118.5	119.5	120.5	121.5	122.5	123.5
Aug.	112.5	113.5	114.5	115.5	116.5	117.5	118.5	119.5	120.5	121.5	122.5	123.5
Sep.	112.5	113.5	114.5	115.5	116.5	117.5	118.5	119.5	120.5	121.5	122.5	123.5
Oct.	112.5	113.5	114.5	115.5	116.5	117.5	118.5	119.5	120.5	121.5	122.5	123.5
Nov.	112.5	113.5	114.5	115.5	116.5	117.5	118.5	119.5	120.5	121.5	122.5	123.5
Dec.	112.5	113.5	114.5	115.5	116.5	117.5	118.5	119.5	120.5	121.5	122.5	123.5

INTERNATIONAL TRADE—Indices of export and import volume (1970=100); visible balance; current balance; oil balance; terms trade (1970=100); exchange reserves.

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Index	141.5	138.2	134.9	131.6	128.3	125.0	121.7	118.4	115.1	111.8	108.5	105.2
Qtr.	141.5	138.2	134.9	131.6	128.3	125.0	121.7	118.4	115.1	111.8	108.5	105.2
Apr.	141.5	138.2	134.9	131.6	128.3	125.0	121.7	118.4	115.1	111.8	108.5	105.2
May	141.5	138.2	134.9	131.6	128.3	125.0	121.7	118.4	115.1	111.8	108.5	105.2
Jun.	141.5	138.2	134.9	131.6	128.3	125.0	121.7	118.4	115.1	111.8	108.5	105.2
Jul.	141.5	138.2	134.9	131.6	128.3	125.0	121.7	118.4	115.1	111.8	108.5	105.2
Aug.	141.5	138.2	134.9	131.6	128.3	125.0	121.7	118.4	115.1	111.8	108.5	105.2
Sep.	141.5	138.2	134.9	131.6	128.3	125.0	121.7	118.4	115.1	111.8	108.5	105.2
Oct.	141.5	138.2	134.9	131.6	128.3	125.0	121.7	118.4	115.1	111.8	108.5	105.2
Nov.	141.5	138.2	134.9	131.6	128.3	125.0	121.7	118.4	115.1	111.8	108.5	105.2
Dec.	141.5	138.2	134.9	131.6	128.3	125.0	121.7	118.4	115.1	111.8	108.5	105.2

FINANCIAL—Money supply M1 and sterling M3, bank advances sterling to the private sector (three months' growth at annual rate); domestic credit expansion (Cm); building societies' net new HEP new credit; all seasonally adjusted. Minimum lending rate (end period).

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Index	3.9	8.8	14.4	19.2	24.0	28.8	33.6	38.4	43.2	48.0	52.8	57.6
Qtr.	3.9	8.8	14.4	19.2	24.0	28.8	33.6	38.4	43.2	48.0	52.8	57.6
Apr.	3.9	8.8	14.4	19.2	24.0	28.8	33.6	38.4	43.2	48.0	52.8	57.6
May	3.9	8.8	14.4	19.2	24.0	28.8	33.6	38.4	43.2	48.0	52.8	57.6
Jun.	3.9	8.8	14.4	19.2	24.0	28.8	33.6	38.4	43.2	48.0	52.8	57.6
Jul.	3.9	8.8	14.4	19.2	24.0	28.8	33.6	38.4	43.2	48.0	52.8	57.6
Aug.	3.9	8.8	14.4	19.2	24.0	28.8	33.6	38.4	43.2	48.0	52.8	57.6
Sep.	3.9	8.8	14.4	19.2	24.0	28.8	33.6	38.4	43.2	48.0	52.8	57.6
Oct.	3.9	8.8	14.4	19.2	24.0	28.8	33.6	38.4	43.2	48.0	52.8	57.6
Nov.	3.9	8.8	14.4	19.2	24.0	28.8	33.6	38.4	43.2	48.0	52.8	57.6
Dec.	3.9	8.8	14.4	19.2	24.0	28.8	33.6	38.4	43.2	48.0	52.8	57.6

INFLATION—Indices of earnings (Jan. 1976=100), basic materials and wholesale prices of manufactured products (1970=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Index	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9
Qtr.	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9
Apr.	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9
May	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9	109.9
Jun.	109.9	109.9	109.9									

FARMING AND RAW MATERIALS

Overseen by ban roes fish

Commodities Staff
ARMEN FISHING out-
deen may demand the
of their port to Faroese
if guarantees on con-
cess to fishing grounds
Faroese coast are not
at talks between the
the Islanders later this

Copper output cuts plan approved, despite Chile

ZAMBIA, PERU and Zaire have
agreed in principle to cut their
copper production, following the
failure of the Inter-governmental
Council of Copper Exporting
Countries (CIPEC) to agree on
measures to balance supply and
demand next year.

JAKARTA, Dec. 7.
We ever will be able to agree
action."
The official communiqué said
that the CIPEC conference re-
affirmed support for the inter-
grated commodity programme
being negotiated through the UN
Conference on Trade and
Development.

Tin traders upset by Penang fall

By Our Commodities Staff

A SHARP FALL in the Penang
price for tin upset traders on
the London Metal Exchange
and the forward price for
standard grades quickly
dropped 800 a tonne during
early dealings.

Ministry asked for action on potato market slump

By Our Commodities Staff

UNCERTAINTY ABOUT the
future and the Minister of Agricul-
ture's inaction were blamed
yesterday for depressing the
price of potatoes.

Dutch will act against beetle pest

By Our Commodities Staff

THE DUTCH Government has
agreed to tighten up checks on
cereal shipments sent to Britain,
after the discovery this year of
heavy infestations of Colorado
beetles in boats docking in the
U.K.

all for aid om U.K. rry farmers

AIN'S DAIRY farmers yes-
called on Mr. John Silkin,
of Agriculture for an
diate and significant
ization of the green pound
move some of the distor-
currently affecting the
industry."

Sugar prices forge ahead again

By Our Commodities Staff

FUTURES PRICES for sugar
forge ahead again yesterday on
the London terminal market.

The Commission authorized
the export of 12,250
tonnes of white sugar with a
maximum export subsidy of 22,250 units
of account per 100 kilos—down
relatively sharply on last week's
22,418.

Smithfield show Farmers balk at high machinery prices

By John Cherrington, Agriculture Correspondent

ANY MAIN feeling walking
through the machinery lines at
the Smithfield Show yesterday
was one of thankfulness that at
my age most of the machinery
I have purchased over the last
two or three years would see me
out.

Butter to China

By Our Commodities Staff

NEW ZEALAND has sold butter
worth \$22.5m to China. This
is the first butter sale ever to
China, which has previously
bought only small quantities of
New Zealand milk powder, our
correspondent in Wellington
reports.

Crushers busy

By Our Commodities Staff

WEST GERMAN oil mills are
working at full capacity to meet
an active demand for soyabean
meal, Reuter reports from Ham-
burg.

India buys oil

HAS bought 50,000 tonnes
of soyabean oil, London
reports, from January to
at prices from \$655 down
a tonne, cost and freight.

EEC farm price prospects

By Our Commodities Staff

CEREAL growers are likely to
be offered a price rise of less
than 2 per cent. on average in
the EEC farm prices package due
to be announced tomorrow by
Mr. Finn Olav Gundlach, Com-
missioner for Agriculture.

BRUSSELS, Dec. 7.
reduce the sugar surpluses it
has to sell on the world market.
The package might also in-
clude new measures to reduce
the milk powder mountain.

SMITHFIELD SHOW

Farmers balk at high machinery prices

By John Cherrington, Agriculture Correspondent

ANY MAIN feeling walking
through the machinery lines at
the Smithfield Show yesterday
was one of thankfulness that at
my age most of the machinery
I have purchased over the last
two or three years would see me
out.

COMMODITY MARKET REPORTS AND PRICES

Table with multiple columns: Metal, Grain, Sugar, etc. Includes sub-sections for 'METALS', 'GRAIN', 'SUGAR', 'COFFEE', 'WHEAT', 'BARLEY', 'SILVER', 'ZINC', 'COPPER', 'RUBBER', 'COCOA', 'WOOL', 'MEAT/VEGETABLES', 'Wool Futures', 'Rice', 'Cocoa', 'Coffee', 'Vegetable Oils'.

PRICE CHANGES

Table showing price changes for various commodities like Metals, Grains, etc. Columns include 'Commodity', 'Dec 7', 'Dec 6', 'Month ago'.

U.S. Markets

Table showing U.S. market prices for Grains, coffee and sugar firm.

BULL OR BEAR MARKET TREND

Can we see money in commodities. This is one
of the questions which are being asked by
our weekly commodities, metals and currencies
series. Other reasons could be the detailed charts, or
the indicators of the market, however, any
of the reasons why our service pays for itself
is and over again.

DISCOUNT BANK INVESTMENT

The Board of Discount Bank Investment
Corporate Limited has resolved to
purchase an amount of £100,000
of the shares of the company
registered in the United Kingdom
at a price of 100 pence per share.

ADIG ADIG GROUP OF FUNDS

ing the period under review all countries continued to
er from the after-effects of the 1974/1975 recession, and
omic trends to reverse this situation were not adequate
terms of growth to compensate. In the course of the
l year the German fixed interest market continued with
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AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as British Life Office, British Overseas, and various international funds with their respective performance metrics.

Table of Offshore and Overseas Funds listing international investment funds like Fidelity, British Overseas, and various global equity funds.

Table titled 'CLIVE INVESTMENTS LIMITED' showing index values for Royal Exchange, Clive Fixed Interest, and Clive Fixed Interest Income.

Table titled 'CORAL INDEX' showing close values for various indices.

Table titled 'INSURANCE BASE RATES' showing rates for Property Growth, Casualty Assurance, and other insurance types.

Table titled 'BASE LENDING RATES' listing interest rates for various banks including A.B.N. Bank, Allied Irish Banks, and others.

LEADERS AND LAGGARDS

Table showing percentage changes for various market indices and sectors, including Financial Group, Retailing, and others.

INSURANCE, PROPERTY, BONDS

Large table listing various insurance, property, and bond products from companies like Abbey Life, Credit & Commerce Insurance, and others, including policy details and rates.

NOTES

Notes section providing additional information and disclaimers regarding the data presented in the tables.

W. BERRY TEMPLETON LTD Property Consultants to Commerce and Industry

47 Great Russell Street London WC1B 3PA 01-437-4577

FT SHARE INFORMATION SERVICE

HOTELS—Continued

Table of hotel shares including columns for High, Low, Stock, Price, and % Change.

AMERICANS—Continued

BUILDING INDUSTRY—Cont.

DRAPERY AND STORES—Cont.

ENGINEERING—Continued

INDUSTRIALS (Misc.)

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Table of British funds with columns for High, Low, Stock, Price, and % Change.

CANADIANS

Five to Fifteen Years

Table of Canadian funds with columns for High, Low, Stock, Price, and % Change.

BANKS AND HIRE PURCHASE

Table of banks and hire purchase companies with columns for High, Low, Stock, Price, and % Change.

CHEMICALS, PLASTICS

Table of chemical and plastic companies with columns for High, Low, Stock, Price, and % Change.

ELECTRICAL AND RADIO

Table of electrical and radio companies with columns for High, Low, Stock, Price, and % Change.

ENGINEERING MACHINE TOOLS

Table of engineering and machine tool companies with columns for High, Low, Stock, Price, and % Change.

FOOD, GROCERIES, ETC.

Table of food and grocery companies with columns for High, Low, Stock, Price, and % Change.

AMERICANS

Table of American companies with columns for High, Low, Stock, Price, and % Change.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building, timber, and road companies with columns for High, Low, Stock, Price, and % Change.

DRAPERY AND STORES

Table of drapery and store companies with columns for High, Low, Stock, Price, and % Change.

ENGINEERING

Table of engineering companies with columns for High, Low, Stock, Price, and % Change.

INDUSTRIALS

Table of industrial companies with columns for High, Low, Stock, Price, and % Change.

HOTELS AND CATERERS

Table of hotels and caterers with columns for High, Low, Stock, Price, and % Change.

**INTERNATIONAL BANK

884 1/2% 30 Dec 78-82 86 1/2% 3/11 2/84

**CORPORATION LOANS

Table of corporation loans with columns for High, Low, Stock, Price, and % Change.

COMMONWEALTH & AFRICAN LOANS

Table of commonwealth and African loans with columns for High, Low, Stock, Price, and % Change.

LOANS

Table of various loans with columns for High, Low, Stock, Price, and % Change.

FOREIGN BONDS & RAILS

Table of foreign bonds and rails with columns for High, Low, Stock, Price, and % Change.

AMERICANS

Table of American companies with columns for High, Low, Stock, Price, and % Change.

BEERS, WINES AND SPIRITS

Table of beer, wine, and spirit companies with columns for High, Low, Stock, Price, and % Change.

CINEMAS, THEATRES AND TV

Table of cinema, theatre, and TV companies with columns for High, Low, Stock, Price, and % Change.

DRAPERY AND STORES

Table of drapery and store companies with columns for High, Low, Stock, Price, and % Change.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building, timber, and road companies with columns for High, Low, Stock, Price, and % Change.

AMERICANS

Table of American companies with columns for High, Low, Stock, Price, and % Change.

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Carter plans worry U.S. steel chiefs

BY STEWART FLEMING

THE U.S. STEEL industry is harbouring profound fears about the long-term implications of the Carter Administration's proposals, announced yesterday, to control the flow of steel imports into the U.S. and help the struggling steel industry modernise its plant.

The proposals were drawn up by an inter-departmental Government group headed by Mr. Anthony Solomon, Under-Secretary of the Treasury, in response to mounting political pressure.

They include plans to set minimum prices below which foreign imports of certain categories of steel cannot enter the country, unimpeded, tax and depreciation allowances to stimulate investment loan guarantees to help the companies in most difficulty, and changes in the enforcement of environmental regulations which have burdened an industry with a severe problem.

Behind public statements of qualified approval for the package, senior executives fear that in practice the reference price system for controlling imports may not provide the protection they want.

They worry that in the long term the closer relationship with the Government implicit in the proposals will restrict their commercial freedom while allowing the Government the flexibility it wants in dealing with domestic and international political pressures.

Some of these fears were alluded to by Mr. David Roderick, president of U.S. steel...

Malaysia puts new Concorde route in doubt

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A LAST-MINUTE change of mind by Malaysia about air-space rights has put to-morrow's start of the British Airways-Singapore Airlines Heathrow-Singapore service in doubt.

The U.K. and Singapore Governments have believed for months that they have a valid agreement with Malaysia enabling Concorde to fly subsonically and supersonically over the Malacca Straits, and from Singapore.

Malaysia has now denied this and said that it will not provide air traffic control for Concorde over the Malaysian flight information region, which reaches over into Sumatran territory.

The reasons given are environmental, but it is thought that Malaysia is also trying to use the Concorde flights as a means of winning better traffic rights for its own airline, Malaysian Airline System, to London.

Talks on the matter were held in London yesterday between the Department of Trade and the Malaysian High Commission, but no settlement had been reached late in the day.

Egypt signs £40m. anti-tank deal

BY MICHAEL DONNE

THE BRITISH Swingfire anti-tank guided missile is to be manufactured in Egypt in a deal made today.

The deal is known to be believed to feel that by refusing Concorde air traffic control facilities Malaysia is in breach of the Chicago Convention on air navigation.

Initially some components for the Swingfire will be exported from the U.K., but the aim is eventually for the entire missile to be made in Egypt by local labour.

In the immediate future the deal will help to maintain and perhaps increase the volume of labour employed on Swingfire missiles at the British Aerospace factory at Stevenage, Hertfordshire.

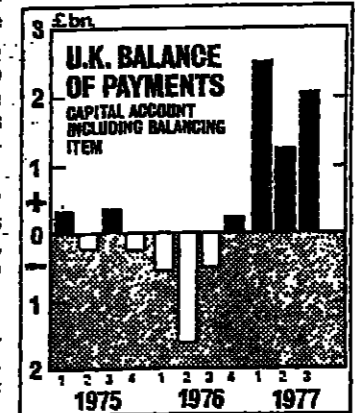
This Egyptian deal is the first of a number of multi-million pound deals for U.K. arms expected over the next few months.

The AOI is known to be negotiating with Westland Helicopters of Yeovil for the sale of Lynx multi-rotor helicopters, with eventual production in Egypt, and also for the initial supply and eventual manufacture under licence of Rolls-Royce Gem engines, which power the Lynx.

THE LEX COLUMN

Burton bites the bullet

Index rose 3.3 to 485.3



Having reactivated the long tap on Tuesday the Government broker was back in action again yesterday and the short tap finally ran out. But this failed to impress the short end of the gilt-edged market.

Apart from fears that another short tap will appear post haste there are suggestions that the authorities are also unloading some unofficial lines of stock.

Meanwhile the second quarter balance of payment figures reflect the huge capital inflows, but recorded gilt-edged sales to foreigners were no more than £188m. That hardly fits in with the market's impressions during August and September, and indeed the CSO admits that the figure is probably a substantial underestimate.

Burton Group

The Burton Group continues to wield the axe energetically with total reorganisation and accelerated depreciation charges running to around £12m in the year to August. This must represent an attempt by the revamped management to establish a base from which recovery can proceed more or less smoothly, and indeed the group is indicating a modest profit in the current six months, which may mean £1.5m or so pre-tax.

However, a great deal of restructuring still has to take place within the group. The manufacturing side remains a problem, especially for Jackson which is heavily oriented to the declining bespoke sector.

As things stand, Top Shop is virtually the group's only success story, making pre-interest profits of probably approaching £2m last year.

Peter Robinson staged a big turnaround, but the other operations ranged from break-even downwards, leading to an overall pre-tax loss of £2.63m. The eventual attributable loss after all provisions was £13.6m., or 37p a share.

Burton's asset base remains largely intact, however, with a £17m. property valuation surplus written into the books, so that a market capitalisation of £31m., with the "A" shares at

bated by the currency this time last year stood down at \$1.65. In foreign currency terms licensing income up and with 11 new licences in the pipeline it should continue to move ahead significantly for at least another year.

Meanwhile, despite the pressed state of the motor industry, U.K. share price is up by 24 per cent. The company is not far as some. In South Africa just about breaking even, Australia and Canada are reasonably buoyant and the North American market is reportedly short of Pilkington should be least to maintain last £25m. in its second year could push its full year up to close to £70m. (£62.7m.) with the projected further growth in 1978-79.

Hanson

Hanson Trust's profits year to September are £5.2m. to £2.4m. pre-tax, the bulk of the increase from the most recent year in the U.S., which included for six months 1975-76. Overall profits in U.S. now amount to £16m. and are continuing to expand. Improving margins and meat products and textiles should more set a likely shortfall in fishing business this year.

Hanson's investment income will rise by roughly a third its current bid for a business is successful.

Shareholders' funds risen to around £67m. (£5.2m. to £2.4m. pre-tax) and the appreciation of sterling has transformed last year's £0.8m. bonus into a £0.6m. loss. But what really caught the stock market's attention—and knocked 11p off the shares—was the sharp slowdown in the growth of licensing income.

Pilkington

At the halfway stage last year Pilkington made a £2m. provision for losses in India so its absence this time round means that a £2m. rise in interim pre-tax profits to £29.6m. does not look too impressive—especially since profits in the second half of last year were growing at an annual rate of 37 per cent.

The company says that trading conditions have "remained dull" and the appreciation of sterling has transformed last year's £0.8m. bonus into a £0.6m. loss. But what really caught the stock market's attention—and knocked 11p off the shares—was the sharp slowdown in the growth of licensing income.

Unions in drive to unravel shipbuilding pay tangle

BY ALAN PIKE, LABOUR CORRESPONDENT

NATIONAL union leaders last night began an urgent attempt to unravel the pay structure tangle of the shipbuilding industry in response to the Swan Hunter crisis.

A conference of union representatives from all British Shipbuilders yards is being called for early next year, with rationalisation of pay structure as the top item on the agenda.

Mr. John Chalmers, chairman of the Confederation of Engineering and Shipbuilding Unions' shipbuilding committee, announcing the moves last night, said that he was "more than hopeful" that the remaining 110,000 Polish order would still go to Swan Hunter.

Union officials and Swan Hunter shop stewards are discussing the possible basis for holding another mass meeting of the outfitters at the yard.

The confederation executive meeting in York last night decided to tell all its districts to examine their existing arrangements for collectively resolving wage problems, and to report back within one month. Once the replies have been analysed the delegate conference will be held, probably in early February.

But Mr. Chalmers said the union leaders accepted that bitterness between unions was not the way to solve problems in the industry. They must be resolved collectively, and a more unified wage structure was "bound to emerge" in each of the British Shipbuilders profit centres.

Towards this the confederation will be seeking a common starting date for domestic wage agreements within companies over the 12-month rule had expired, and, ultimately, it would like a common date throughout British Shipbuilders.

Confederation leaders also decided to seek an urgent meeting with the Prime Minister, and Mr. Denis Healey, the Chancellor, to protest at what they regard as Government interference in the industry's domestic wage negotiations which, said Mr. Chalmers, was causing "total unrest" at shipyards.

Apart from enforcing the 10 per cent guidelines, which the unions did not entirely accept, he said there was far too much delay in the clearance of settlements by the Department of Industry. The committee will meet again to review the position next month.

Richard Evans, Lobby Editor, writes: Mr. Eric Varley, the Industry Secretary, is under pressure from inside the Government to make an early statement on the Polish shipbuilding contract, explaining fully the benefits to the country and the shipbuilding industry.

Irritation at the lack of a Government statement to meet the growing criticism of the agreement under which British TV companies would take a larger proportion of British-sourced components, especially tubes made by Mullard, the only British-based tube manufacturer, is the most active of the companies opposing Hitachi's plans.

One of the chief reasons given by the industry for its opposition to Hitachi is that it is not attempting to work out an agreement under which British TV companies would take a larger proportion of British-sourced components, especially tubes made by Mullard, the only British-based tube manufacturer, is the most active of the companies opposing Hitachi's plans.

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Crane Fruehauf rebuked by panel

BY KEITH LEWIS

THE Take-over Panel has strongly criticised the directors of trailer manufacturer, Crane Fruehauf, for Tuesday's statement that they were no longer prepared to stand by their own profits forecast of £3m. because control of the company had since passed to Fruehauf Corporation of Detroit.

In an announcement clearly intended to discourage others from adopting a similar line, the panel said firms that were "not prepared to allow directors to repudiate responsibility for forecasts made in big situations."

The Crane statement, which was characteristic of the bitterness that persisted throughout Fruehauf's 13-month struggle to gain control, argued that the forecast was made on the assumption that the management policies, and accounting policies would remain unchanged.

However, the panel makes the point that any forecast is made subject to certain assumptions, and that even if a particular assumption is not fulfilled, it is most unlikely that this could properly extinguish a Board's responsibility for the forecast as a whole. In that event, it would be necessary to identify the reason why the particular assumption failed, and then to measure the impact of that failure on the results for the period.

The panel says pointedly that it can see no reason why the forecast made by the directors of Crane should be treated in any special way.

Panel survey, Page 8

Short-dated tap stock supply exhausted

BY MICHAEL BLANDEN

RENEWED demand for gilt-edged stocks yesterday finally exhausted supplies of the official short-dated tap stock.

The authorities were also able to make further sales of the long-dated tap, Treasury 10 per cent, 1992, as a contribution to the funding of the Government borrowing requirement.

That stock was issued at £55.50 three weeks ago, but with the fall in the gilt-edged market had not operated as a tap until Tuesday, when the Government broker dropped the price to 89 and substantial sales were reported.

Yesterday the stock ended the day at 890 per cent, and elsewhere long-dated stocks closed with gains of up to 1 point.

Vote next week on EEC elections

By Philip Rawsthorne, Parliamentary Correspondent

THE COMMONS will vote next week on the election system to be used in the first direct elections to the European Parliament.

Confirming this in the Commons yesterday, Mr. James Callaghan said the result of the vote would decide whether Britain could meet the target date of May/June next year.

But he added: "It won't be the end of the world if direct elections are not held until 1979."

Only a Commons majority for the regional list system, proportional representation would now enable the Government to arrange for the elections next year. But, without a major shift in Tory support, the prospects are bleak.

There are signs, however, that more Labour MPs are responding to the Prime Minister's plea to vote for the PR system in order to maintain the Government's pact with the Liberals.

The Government's decision not to debate the direct elections Bill this week appears to have been due partly to allow the whips time to rally enough Labour MPs into the Government lobby to satisfy the Liberal demands.

Plans ready

Mr. David Steel, the Liberal leader, has been threatened with the calling of a special Liberal assembly to review the party's agreement with the Government, if a substantial number of Labour MPs refused to vote for the regional list system.

The Liberals have made preliminary plans for the emergency assembly on January 7, in either Manchester or Birmingham.

It now seems likely that this threat to Mr. Steel and the Liberal pact may be averted.

Parliament, Page 13

Hitachi bows out

Continued from Page 1

Its opposition has been based on its appraisal of the domestic industry's problems, which it sees as those of fragmented production and excess capacity. The industry has a capacity of 2.5m sets a year, a domestic market of this year of 0.15m sets and exports of 0.2m.

The sector working party is now attempting to work out an agreement under which British TV companies would take a larger proportion of British-sourced components, especially tubes made by Mullard, the only British-based tube manufacturer, is the most active of the companies opposing Hitachi's plans.

One of the chief reasons given by the industry for its opposition to Hitachi is that it is not attempting to work out an agreement under which British TV companies would take a larger proportion of British-sourced components, especially tubes made by Mullard, the only British-based tube manufacturer, is the most active of the companies opposing Hitachi's plans.

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Hussein peace trip

Continued from Page 1

common interest with Egypt, with which he has been seeking a Middle East peace settlement. He is said in Damascus to be under some pressure from the Cairo: The U.S. may well have U.S. and Saudi Arabia to act as a mediator.

Roger Matthews writes from Damascus: Mr. Sadat's impulsiveness in ordering the closure of the consular and cultural offices of the Soviet Union in Egypt.

U.S. Under-Secretary of State, Department, left Moscow after briefing Soviet officials on the objectives of the forthcoming tour of the Middle East by Mr. Cyrus Vance, American Secretary of State.

Egypt's decision was announced by Mr. Mamdouh Salem, Prime Minister, in a speech to the People's Assembly. It lessens the chances of Soviet involvement in any Middle East peace moves, but there was relief in some quarters that Mr. Sadat, having decided that the Russians needed to be taught a lesson and having suggested a more drastic retaliation against Soviet attacks on his initiative, did not take more precipitate action.

King Hussein is in Cairo in an effort to bridge the gap that has opened between Syria and Russia's hostility to Israel.

Weather

U.K. TO-DAY
RAINY, some snow in Scotland, London, S.E. Cent. E. England, E. Anglia, E. Midlands
Showers or longer outbreaks of rain. Wind S.W., moderate or fresh. Max. 54 (46F).
W. Midlands, N. Wales, S. Wales
Outbreaks of rain. Wind W. fresh. Max. 50 (43F).
Channel Isles, S.W. England, S. Wales
Outbreaks of rain. Wind W. fresh or strong. Max. 50 (43F).
Isle of Man, S.W. Scotland, Glasgow, Argyll, N. Ireland
Rain at times. Wind E., strong at first. Max. 60 (43F).
N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Cent. Highlands
Showers or longer outbreaks. Snow on high ground. Wind S., moderate or fresh. Max. 50 (43F).
Moray Firth, N.E., N.W. Scotland, Orkney, Shetlands
Rain, heavy at times. Snow mainly on high ground. Wind N., occasionally gale force. Max. 30

BUSINESS CENTRES

City	Monday	Tuesday	Wednesday	Thursday	Friday
American	+4	+5	+4	+4	+3
Athens	+1	+1	+1	+1	+1
Bahrein	+2	+2	+2	+2	+2
Barcelona	+1	+1	+1	+1	+1
Bombay	+1	+1	+1	+1	+1
Buenos Aires	+1	+1	+1	+1	+1
Calcutta	+1	+1	+1	+1	+1
Chengde	+1	+1	+1	+1	+1
Hankow	+1	+1	+1	+1	+1
Kobe	+1	+1	+1	+1	+1
London	+1	+1	+1	+1	+1
Lyons	+1	+1	+1	+1	+1
Manila	+1	+1	+1	+1	+1
Mexico	+1	+1	+1	+1	+1
Monaco	+1	+1	+1	+1	+1
Moscow	+1	+1	+1	+1	+1
Nairobi	+1	+1	+1	+1	+1
Paris	+1	+1	+1	+1	+1
Reykjavik	+1	+1	+1	+1	+1
Rome	+1	+1	+1	+1	+1
Singapore	+1	+1	+1	+1	+1
Sourabaya	+1	+1	+1	+1	+1
Tokyo	+1	+1	+1	+1	+1
Yokohama	+1	+1	+1	+1	+1

HOLIDAY RESORTS

City	Monday	Tuesday	Wednesday	Thursday	Friday
Algeria	+1	+1	+1	+1	+1
Amman	+1	+1	+1	+1	+1
Barcelona	+1	+1	+1	+1	+1
Bombay	+1	+1	+1	+1	+1
Buenos Aires	+1	+1	+1	+1	+1
Calcutta	+1	+1	+1	+1	+1
Chengde	+1	+1	+1	+1	+1
Hankow	+1	+1	+1	+1	+1
Kobe	+1	+1	+1	+1	+1
London	+1	+1	+1	+1	+1
Lyons	+1	+1	+1	+1	+1
Manila	+1	+1	+1	+1	+1
Mexico	+1	+1	+1	+1	+1
Monaco	+1	+1	+1	+1	+1
Moscow	+1	+1	+1	+1	+1
Nairobi	+1	+1	+1	+1	+1
Paris	+1	+1	+1	+1	+1
Reykjavik	+1	+1	+1	+1	+1
Rome	+1	+1	+1	+1	+1
Singapore	+1	+1	+1	+1	+1
Sourabaya	+1	+1	+1	+1	+1
Tokyo	+1	+1	+1	+1	+1
Yokohama	+1	+1	+1	+1	+1

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As a first step, please write to Michael J. Waggett, giving a brief summary of your experience, qualifications, age and salary. Alternatively, write asking for more information about Ogders and Co., at our new address, 1, Old Bond Street, London, W.1.

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